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# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1987

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## HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

NINETY-NINTH CONGRESS

SECOND SESSION

ON

## H.R. 5234

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1987, AND FOR OTHER PURPOSES

**PART 1—(Pages 1-1170)**

**Advisory Council on Historic Preservation**
**Commission of Fine Arts**
**Congressional witnesses**
**Department of Agriculture**
**Department of Education**
**Department of Energy**
**Department of the Interior**
**National Capital Planning Commission**
**National Endowment for the Humanities**
**National Gallery of Art**
**Nondepartmental witnesses**
**Pennsylvania Avenue Development Corporation**
**Woodrow Wilson International Center for Scholars**

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# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1987

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U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, DC.*

## NONDEPARTMENTAL WITNESSES

[CLERK'S NOTE.—The subcommittee was unable to hold the hearings on nondepartmental witnesses, but the statements of those submitting written testimony are as follows:]

## BUREAU OF LAND MANAGEMENT

### STATEMENT OF THE AMERICAN HORSE PROTECTION ASSOCIATION, INC.

The American Horse Protection Association, Inc., appreciates this opportunity to express its views concerning the proposed $15,200,000 appropriation for the Bureau of Land Management's programs to protect and manage wild horses and burros during Fiscal Year 1987.

AHPA is a non-profit humane society dedicated to the welfare of horses and other equines. One of its principal interests has been the protection and preservation of the Nation's wild, free-roaming horses and burros, which inhabit the public lands in ten western states. According to AHPA's estimates there are currently about 36,000 wild horses and 11,400 wild burros on lands administered by the Bureau of Land Management. Approximately 1,500 animals of both species are found on lands administered by the Forest Service.

BLM's estimate of the population is somewhat higher, because it assumes that the herds will increase at a rate of 16-18% per year. Yet that assumption has been refuted by the Committee on Wild and Free-Roaming Horses and Burros of the National Academy of Sciences, which wrote in 1982:

> Three investigators . . . concluded that the annual increase rates for horse populations implied by published information from several studies on reproductive and survival rates must be considerably lower than the 16 to 18 percent commonly inferred from [BLM] censuses and might conceivably be below 10 percent.

NAS, Committee on Wild and Free-Roaming Horses and Burros, Final Report, p. 14 (emphasis added). AHPA's calculations are based on a 10% reproduction rate.

The current wild horse and burro populations are approximately 15 percent below what they were in 1974, only three years after the Wild, Free-Roaming Horses and Burros Act (Pub. L. No. 92-195) was enacted. (BLM data indicates that the 1974 populations were 42,666 horses and 14,374 burros.) The current low populations were reached by the removal of almost 19,000 animals in FY 1985, at a cost of $16,739,000 -- more than triple BLM's original budget estimate of $5,081,000. As FY 1986 began, therefore, the public lands supported about the same number of horses and burros as they did in 1972-73.

The Bureau's stated management goal for wild horses and burros is to reduce their populations to about 25,000: 21,000 horses and 4,000 burros. This will require that the 1984 population be reduced by almost 60 percent. BLM's target population of 25,000 animals is significantly below the population that was on the public lands in 1971, when Congress found that wild horses and burros were "fast disappearing from the American scene," and passed legislation to protect them.

BLM commonly claims that removals of this magnitude are necessary to protect rangeland resources threatened by overpopulations of wild horses and burros. However, wild horses and burros consume a very small fraction of total public rangeland resources. By comparison, over 4 million livestock graze on BLM lands in the ten western states where wild horses and burros are found; over 2 million graze on Forest Service lands in those states. It is estimated that over 1.5 million big game animals use BLM lands alone. Finally, the National Academy of Sciences found, in its 1982 Final Report, that there were few examples of severe rangeland degradation attributable to grazing by wild equines. Therefore, the need to spend tens of millions of scarce tax dollars to round up most of the Nation's wild horse and burro population is doubtful at best.

Last year the House Appropriations Committee eliminated all proposed funding for new roundups for two reasons: (1) the need for additional roundups following the massive 1985 removals could not be demonstrated; and (2) the 1985 roundups had left a backlog of about 10,000 animals awaiting adoption at the end of the fiscal year, because roundups had outpaced the ability of the adoption system to find homes. (Despite that fact, over 9,500 adoptions took place in FY 1985).

Nevertheless, Congress appropriated $16,934,000 to pay to remove approximately 14,000 additional animals during FY 1986. BLM had requested an appropriation of only $6,063,000 to round up 4,000 animals. During the past two fiscal years, therefore, Congress has appropriated more for the wild horse and burro program than it did in the eight prior years combined.

The FY 1986 appropriation that was ultimately approved ignored the logic of the House Appropriations Committee's position, and will exacerbate the problems of unadopted horses. Even taking into account the Gramm-Rudman-Hollings budget reductions for 1986, BLM estimates that the number of animals in holding corrals at the end of the fiscal year will rise to 14,000. This is so despite the fact that over 9,300 more animals will be adopted during the year.

BLM has requested $15.2 million appropriation in Fiscal Year 1987 to round up yet another 4,500 animals, and to care for the animals being held while awaiting adoption. Given the constraints imposed on all government programs by Pub. L. No. 99-177, this amount is entirely inappropriate and should be reduced.

As it was last year, the logical place to start is to reduce the requested appropriation by the amount attributable to the cost of gathering and holding 4,500 more horses and burros. AHPA does not have adequate information to estimate this amount with precision, but believes that it could exceed $4 million. The removals are simply not justifiable under any interpretation of the data regarding resource problems on the public lands, nor can they be supported in light of the level of past removals and the backlog of animals awaiting adoption.

Significant additional savings would be available if the Subcommittee were to reconsider the FY 1986 appropriation and transfer funds from the wild horse and burro account to other meritorious Interior Department programs that have been underfunded in recent years. By reducing the numbers of animals removed unnecessarily from the range in FY 1986, the portion of the FY 1987 appropriation attributable to holding costs pending adoption could be reduced even further.

The wild horse and burro program has been the subject of considerable controversy in recent years. While the merits of the controversy generally are not within the Subcommittee's jurisdiction, it is certainly appropriate for the Subcommittee to consider one significant fact: the FY 1986 wild horse and burro populations are lower than they have been at any time since 1973, and if the FY 1986 removals take place they will be lower still. In 1973 no one was concerned that wild horse and burro populations were excessive, or were causing environmental damage.

It is entirely inappropriate to continue to fund needless removals of wild horses and burros from the public lands when other valuable Interior Department programs to protect endangered species and wildlife habitant have been persistently underfunded. The Subcommittee should eliminate funding for wild horse and burro roundups in FY 1987, and should give serious consideration to a reallocation of the FY 1986 appropriation.

# FISH AND WILDLIFE SERVICE

## LETTER FROM JACK A. BARNETT, EXECUTIVE DIRECTOR, COLORADO RIVER BASIN SALINITY CONTROL FORUM

Senator James A. McClure
Senate Appropriations Committee
361 Dirkson Senate Office Bldg.
Washington, D.C. 20510

April 30, 1986

Dear Senator McClure:

There is a vast amount of public land in the Colorado River Drainage. Congress has required that the Bureau of Land Management proceed with investigations and complete reports analyzing the impact of salt being contributed from the public lands on the water quality of the Colorado River.

The enclosed testimony is presented in behalf of the seven Colorado River basin states. We would appreciate your making it a part of the record and giving favorable consideration to the funding requests contained therein.

Sincerely,

Jack A. Barnett,
Executive Director

enclosure

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## STATEMENT OF JACK A. BARNETT

Requesting additional funds over and above the FY 87 budget request by the President for Bureau of Land Management Renewable Resource Management activities, particularly with respect to the subactivities under the classification of Soil, Water and Air Management. Funds requested, $16,544,000; funds identified in the President's budget, $14,469,000.

*******************************************************

The waters of the Colorado River system serve some 17 million people and irrigate about 1.6 million acres in the seven Colorado River Basin states. The river also provides domestic and irrigation water to Mexico. Salinity has long been recognized as one of the major problems in the river. Water users, situated lower in the river system, have suffered significant adverse impacts due to the river's salinity. It has been estimated that salinity damages have occurred in amounts over $100 million a year. Without salinity control measures, and with increased demands for Colorado River water in the Basin, the river's salinity is projected to increase, further impairing the usefulness of this water supply, and it is projected that the economic damages suffered by water users will double by the turn of the century without salinity control.

The Basin states' concerns with the river's increasing salinity led them to create the Colorado River Basin Salinity Control Forum in 1973. The Forum, whose members are appointed by the governors of the respective states, developed a salinity control policy that calls for maintaining salinity concentrations at or below those levels found in the lower river in 1972 while the Basin states continue to develop their compact apportioned waters. The Forum has a continuing responsibility to see that a salinity control plan is implemented to meet the policy objectives.

In 1974, after discussion between the federal government, the Republic of Mexico, and the seven Colorado River Basin states, Congress enacted the Forum sponsored Colorado River Basin Salinity Control Act (P.L. 93-320). Title I of the Act established a program to reduce the concentration of salts in the Colorado River below Imperial Dam, the last diversion point in the United States, so that the United States could honor its commitments to Mexico. In Title II, the Act established a program which allowed the states and the federal government to work together to prevent salinity increases in the Colorado River above Imperial Dam, benefiting users in the United States as well as Mexico. The 1974 Act also created a Colorado River Basin Salinity Control Advisory Council, composed of governor appointed representatives of the Basin states, to advise the Secretaries of the Interior and Agriculture and the Administrator of the Environmental Protection Agency as to needed annual adjustments to the salinity control effort.

In 1984, Congress enacted much needed amendments to the 1974 Act that were advanced by the Forum. The amendments, Public Law 98-569, authorized additional activities for the Departments of the Interior and Agriculture that are needed in order to meet the objectives of the act. In recognition of the vast amount of Federal land within the Basin, managed by the Bureau of Land Management (BLM) the Congress assigned certain responsibilities. This included the development of an agency wide salinity control program for the Colorado River drainage basin with a report due back to the Congress by July, 1987.

Salinity is one of the major problems in the Colorado River system. It is imperative that the salinity control activities of the BLM not be curtailed and that adequate funding be appropriated in 1987 so that the Congressionally directed salinity objectives can be achieved. Therefore, we request that the funds for the BLM as identified in the opening paragraph of this statement be appropriated by the Congress. Of the funds appropriated for Soil, Water and Air Management we believe that with respect to salinity control in the Colorado River Basin, there should be spent $240,000 for Planning Activities, $400,000 on Project Work, $525,000 on Inventory in search of potential salinity control over, and $125,000 for Monitoring of already completed control measures.

The Forum appreciates the opportunity to testify on this important matter and we offer our continued cooperation with the Federal entities as we collectively look for cost effective ways to maintain the quality of the river.

## STATEMENT OF THE NATIONAL WILDLIFE FEDERATION

Mr. Chairman, the National Wildlife Federation (NWF) appreciates the opportunity to present our views on the Administration's Fiscal Year (FY) 1987 budget request for the U.S. Fish and Wildlife Service (FWS). The National Wildlife Federation is the nation's largest conservation/education organization with over 4.5 million members and supporters in 51 states and territories.

We are concerned that proposed FWS funding decreases could have adverse impacts on our nation's fish and wildlife resources. The Administration has requested only $295 million for FY 1987, excluding permanents and trusts. The value of the resources administered by the FWS seems out of proportion to spending by FWS on those resources.

For example, the FWS Fisheries Resources Program is funded at only $50 million. Yet, nationwide, direct expenditures on sport fishing are over $17 billion each year. The story for wildlife is similar, with direct expenditures on hunting exceeding $8.5 billion while we intend to spend only about $300 million in FWS funds on wildlife programs.

Mr. Chairman, we hope you will see the value of FWS programs and provide continued funding where needed. Our specific requests for FWS funding are summarized in a table at the end of our comments. We provide additional clarification on a few of our requests below.

### HABITAT RESOURCES

The NWF requests that Congress appropriate $850,000 above the Administration's FY 1987 request for Habitat Resources. Of this amount, $250,000 is needed by Field Operations to carry out new responsibilites under the 1985 Farm Bill and $600,000 is needed by the Cooperative Research Units to staff units newly combined in at least 13 states.

### WILDLIFE RESOURCES

The NWF requests that an additional $500,000 be provided for nongame programs to finalize and implement the draft nongame management plan and to develop new methods of evaluating the status of nongame migratory bird populations, and that $1.5 million be provided for the new contaminant assessment program. These funds are needed to support ongoing monitoring and analysis projects and clean up problem areas.

### FISHERY RESOURCES

#### Hatchery Maintenance

From 1981 to 1985, nearly $6 million was diverted from hatchery maintenance to other uses, including $1 million permanently diverted. A FY 1986 increase of $994,000 was intended to put hatchery maintenance on track, but the Administration intends to eliminate the increase. In addition, the Administration intends to implement a "maintenance management system" to track maintenance needs. We welcome implementation of such a system, but current funding levels for hatchery maintenance should be continued until the management system is operational.

#### Hatchery Operations

The Administration recommends transfer or closure of seven fish hatcheries. However, legislation is pending (H.R. 3167, National Fish Hatchery Act) that would establish a procedure for closing or transferring hatcheries. Thus, it is inappropriate to close or transfer the hatcheries at this time. However, we do agree with the Administration that termination of the Bear's Bluff hatchery, which needs about $6 million in new construction and equipment, would have little adverse effect on fishery resources.

Refuge Fishery Management

The NWF requests an add-on of $700,000 for fishery management on National Wildlife Refuges in the lower 48 states. Currently, only $150,000 is available for fishery management on these refuges, an amount insufficient to conduct fishery management activities, even though about 22 million hours of fishing occurs on refuges each year (a third of total public use).

Fishery Research

The Administration's recommendation would eliminate an addition of $149,000 provided by Congress for FY 1986 for operations at the newly-constructed Gainesville National Fishery Research Laboratory (Gainesville, Florida). The Laboratory was designed to house 12-14 professionals and operate on a $1 million annual budget. The NWF recommends that $400,000, plus four FTEs, be added to the Administration's request for the Gainesville Fishery Research Laboratory. The NWF recommendation includes $248,000 in restored funds for general operation and maintenance at fishery research laboratories.

## ENDANGERED SPECIES

Listing

According to the FWS, there currently are 58 species proposed for listing and over 3,800 candidate species. It costs, on average, $50,000 to list a species, yet the Administration proposes cutting the listing budget by $249,000. The NWF recommends that Congress restore funding for listing to the FY 1986 level of $3.2 million.

Cooperation with States

The Administration proposes to eliminate the state grants program, in spite of a need for close cooperation between federal and state governments to reduce federal spending. Funding of this program provides a cost-effective means to protect endangered species, because each federal dollar spent is matched by state dollars. The NWF recommends a funding level of $4.4 million.

Consultation

Federal agencies are required to consult with the FWS to ensure that proposed projects do not jeopardize the continued existence of endangered species. The number of such consultations is expected to increase by 3,400 from FY 1986 to FY 1987. The demand for FWS consultation cannot be met at current funding and staffing levels. The NWF urges you to add $500,000 and 10 FTEs to this program.

## LAND ACQUISITION

To save critical fish and wildlife habitat from harmful development, the NWF recommends that the FWS be provided at least $35 million for refuge acquisition, and that consideration be given to increased acquisition of lands or other resources associated with Ash Meadows in Nevada, Lower Rio Grande Valley in Texas, and Fakahatchee Strand in Florida.

## MIGRATORY BIRD CONSERVATION ACCOUNT

The FWS determined in 1976 that 1.95 million acres of waterfowl habitat would have to be acquired by 1986 simply to maintain waterfowl populations at 1976 levels. Only about 435,105 acres, has been purchased over the past 9 years. Each year in the meantime, between 350,000 and 450,000 acres of wetlands have been destroyed. Despite the obvious need to protect more habitat, the Administration refuses to request an advance appropriation for the Migratory Bird Conservation Account. Instead, funding shortfalls are to be addressed by using new revenues of $2.1 million anticipated from an increase in the price of duck stamps, a step requiring legislation. In the meantime, it is important that wetlands acquisition continue; therefore, the NWF urges the appropriation of the remaining $10.5 million authorized under the Wetlands Loan Act.

**PERMANENT ACCOUNTS**

In 1955, and in every fifth year thereafter, the FWS has conducted the National Hunting and Fishing Survey, which provides information on fishing, hunting, and associated non-consumptive activities. However, the Administration intends to eliminate this project, despite the fact that funding is "user-contributed" from the Sport Fish and Wildlife Restoration Accounts. The NWF urges that $5.6 million be appropriated to conduct and publish the 1985 Hunting and Fishing Survey.

**FEDERAL AID IN SPORT FISH RESTORATION**

The Administration states that, "overall costs for administration [of the Sport Fish Restoration Program] will decrease in fiscal year 1987" and proposes to eliminate 26 of the 50 FTEs currently administering the program. The decrease in FTEs is proposed in spite of an increase in the amount of funds to be administered, from about $38 million in FY 1985 to a projected $159.5 million in FY 1987. The 26 FTEs are needed for program administration and should be restored to the program.

## SUMMARY OF NATIONAL WILDLIFE FEDERATION RECOMMENDATIONS ON THE FISCAL YEAR 1987 BUDGET OF THE U.S. FISH AND WILDLIFE SERVICE

| Program | NWF recommended additions to Administration proposed FY 1987 budget (dollars in millions) | Additional NWF recommendations/ comments |
|---|---|---|
| Habitat Resources | | |
| Field Operations | 0.250 | |
| Cooperative Research Units | 0.600 | |
| Wildlife Resources | | |
| Research | 2.000 | Increased emphasis on nongame and NWR contaminants |
| Fishery Resources | | |
| Hatchery O & M | | |
| Operations | 0.836 | Close Bear's Bluff hatchery and aquariums |
| Maintenance | 0.994 | |
| Refuge Management | 0.700 | For use in lower 48 states only |
| Research and Development | 0.648 | Includes $0.4 for Gainesville lab in FL |
| Endangered Species | | |
| Listing | 3.200 | |
| Consultation | 0.500 | Add 10 FTEs |
| Recovery | 0.283 | Add 2 FTEs |
| Research | 0.200 | |
| Cooperation With States | 4.400 | |
| **Anadromous Fish Grants** | **2.000** | |
| **Land & Water Conservation Fund** | **35.000** | |
| **Migratory Bird Conservation Account** | **10.561** | |

| Program | NWF recommended additions to Administration proposed FY 1987 budget (dollars in millions) | Additional NWF recommendations/ comments |
|---|---|---|
| **Permanent Accounts** | 5.800 | Publish 1985 Hunting and Fishing Survey |
| Federal Aid | | |
| **Wildlife Restoration** | | Restore 26 FTEs |
| **Sport Fish Restoration** | | Restore 26 FTEs |

## Statement of Professor Ronald F. Labisky, Vice Chairman, Fish and Wildlife Committee, National Association of State Universities and Land Grant Colleges

I am Ronald F. Labisky, Professor and Chairman of the Department of Wildlife and Range Sciences at the University of Florida, and Vice Chairman of the Fish and Wildlife Committee of the National Association of State Universities and Land Grant Colleges (NASULGC). It is my pleasure to represent the Chairman of NASULGC's Fish and Wildlife Committee, Mr. Marshall Criser, President of the University of Florida. Also with me today are two additional members of the Fish and Wildlife Committee--Professor Stephen C. Smith, Associate Dean for Natural Resources at the University of Wisconsin, and Professor Donald R. Progulske, Director of Fish and Wildlife Programs at the University of Massachusetts. Professors Smith, Progulske, and myself also represent two additional organizations--the National Fish and Wildlife Resources Research Council and the Association of University Fish and Wildlife Program Administrators. Our purpose today is to testify on behalf of NASULGC, an organization comprised of 161 colleges and universities whose administrators, scientists, and educators are vitally concerned about the future of the fish and wildlife resources of the Nation.

We express our specific concern about the low level of funding that is available for the conduct of fish and wildlife research in this country, and particularly at our colleges and universities. In short, fish and wildlife research has been an essentially forgotten resource in National policy. The intelligent and rational management of our fish and wildlife resources in the years ahead will be not only crucial but enormously difficult. At stake are this Nation's irreplaceable estuaries, wetlands, coastal beaches, rivers and lakes, farm-, range-, and forestlands--and associated fish and wildlife resources. However, the scope of problems and challenges in fish and wildlife research, upon which management is dependent, far exceeds the capabilities of our resource agencies and institutions. The priority need, therefore, is not only to insure the effective application of existing agency and institutional funding but also to supplement that funding in a cost-effective manner. To this end, we respectfully recommend two pathways for expediting fish and wildlife research: the appropriation of additional funds to support the time-tested and productive mission-oriented research program of the Cooperative Fish and Wildlife Research Units; and the appropriation of funds to support a competitive grants program designed to further basic fish and wildlife research at academic institutions.

Since its inception more than 50 years ago the cooperative unit program has been extremely successful in responding to research needs at federal, regional, and state levels. Management of the nation's fish and wildlife resources today is based to a large degree on knowledge derived from research performed at the various cooperative units. The flow of knowledge was substantially increased in 1960 when the unit program was enhanced by addition of the fishery research units; up to that time efforts were directed only toward wildlife problems.

Presently there are 32 units at 27 land-grant universities throughout the United States. This is a truly cooperative program--state fish and wildlife agencies contribute nearly $3 million each year and the associated universities provide approximately an equal amount of in-kind contributions. The importance of the Unit Program was also underscored and recognized by Congress when the contributing state agencies, universities, the Wildlife Management Institute, and outside interests recently fought successfully against the proposed elimination of Federal funding of the mutually-valuable Cooperative Units in FY82, FY83, and FY84. Although a budget for the Units was subsequently restored by Congress in each of those years, the level of funding resulted in a staff that is approximately 50% of the earlier level. Demands of research cannot be met by this small number of Federal scientists.

The Cooperative Program is uniquely strong because the Units include a cadre of diverse scientists at the respective universities that can be called upon to address specific problems. This is a feature that the Fish and Wildlife Service or state laboratories do not have. Another major attribute of the Unit Program is the favorable research returns accredited either singularly or jointly to the organizations participating in the 3-way partnership. By pooling contributions, Cooperative Research Units can do research that any one of the participating organizations could not afford or be able to do alone. We strongly recommend that the Fish and Wildlife Service's budgetary contribution in FY87 be at least $5.3 million to adequately maintain the nation-wide Unit Program at authorized strength in terms of personnel and operations.

Mr. Chairman, Congress and the Administration have placed a priority on the funding of basic research as the best way to solve current problems as well as provide for future development. Also, the people of the United States recognize fish and wildlife as a major national asset, economically, recreationally, socially, and environmentally. Yet, these two major elements are not linked because there is no focal point for basic ecological fish and wildlife research. The National Science Foundation funds some basic fish and wildlife research, but only in a limited way. The Fish and Wildlife Service supports their management related research as ~~does the~~ Forest Service. In fact, this is one reason several top fish and wildlife ecologists spend a very high percentage of their time performing basic research outside of the U.S. These highly talented scientists are not focusing on U.S. problems because the funding is not available. We are the losers in the process because we are required to make serious decisions about our fish and wildlife resources that are based on a paucity of basic understanding.

To focus to these national issues and provide needed basic understanding, we need to tap the existing pool of ecologist and related scientists within university, agency, and private communities. We are suggesting you consider a competitive grants research program in fish and wildlife at an initial level of $10 million. Such a program should be administered in an agency that is free from direct management responsibility, and whose functions are solely competitive-grants administration, including a strong, nationally recognized peer-review system. The recently organized competitive grant program in the U.S. Department of Agriculture is an excellent model. Such a program would open to all fish and wildlife scientists, irrespective of employment. The pool of talent in our universities and other organizations would be captured to solve priority problems in the U.S.

Community ecology in fish and wildlife could serve as the central theme of a competitive-grants program. It is the basic understanding of these ecological problems that is critical yet funding for community-oriented research is limited. Biological research has moved heavily into molecular aspects of our living world, this was essential, and we have made great strides. However, to deal with such problems as migratory wildlife, estuarine fisheries, and unique and sensitive ecosystems (e.g., Everglades), we are in need of knowledge from basic community ecology with emphasis on fish and wildlife.

We assure you that our colleagues in the state universities throughout the county support our position that the fish and wildlife resources of this Nation cannot be safeguarded adequately without accelerated research programming. Thus, on behalf of the National Association of State Universities and Land-Grant Colleges, we ask that you increase the funding level for the Cooperative Fish and Wildlife Research Units from $4.564 to $5.3 million, and that you provide for a $10 million competitive grants program to support basic research on fish and wildlife.

## STATEMENT OF DR. FAITH THOMPSON CAMPBELL, NATURAL RESOURCES DEFENSE COUNCIL

Under the President's proposed FY 1987 budget, the endangered species program, not including land acquisition, would be cut by 23%, while the Fish and Wildlife Service as a whole would be cut by 7.7%. In addition, the President's budget would eliminate all land acquisition, including habitats of endangered species (which have constituted half or more of such purchases in recent years).

Other than land acquisition, the biggest cut is elimination of §6 grants to the states. The Natural Resources Defense Council (NRDC) asks the Congress to restore §6 funding to $4,500,000, just above current levels. We consider these grants to be essential to recovery efforts. Contrary to the Administration's assertion, state tax checkoff programs cannot replace §6. This year, about 140 species will benefit from cooperative federal-state projects. State participation is often made possible by tax checkoff programs. Therefore, relying exclusively on tax checkoffs would reduce total funds available. Furthermore, tax checkoffs are not all inclusive. The 120 listed plants, in particular, would suffer from elimination of §6 because few tax checkoff programs include plants. (Currently, somewhere between 17 and 26 states have §6 agreements for plants -- depending on whether your information was compiled by FWS or by Environmental Defense Fund.) Plant species can ill afford loss of §6 funding since they already receive only a small proportion of funds under recovery: only $127,000 out of the $6.6 million available in FY 1986.

NRDC recommends that the Congress appropriate $3,826,000 for listing rather than the $2,937,000 contained in the Administration's budget. This increase is justified by two facts. First, the listing process is still lagging far behind the need: perhaps 60 species per year will be listed, while the number of candidates approaches 4,000 (1,100 of which have been documented as warranting listing). Already, 20 animals and from 60 to 200 plants may have become extinct while awaiting listing. Second, the House bill to reauthorize the ESA instructs FWS to monitor candidate species more carefully so as to be able to list under speeded emergency procedures those on the very brink. The Senate is expected to accept this amendment. This added workload will require additional personnel.

Law enforcement is proposed to be cut significantly. About $400,000 of the cuts would be replaced by fees charged to wildlife importers. Despite the Congressionally initiated funding increases in past years, the enforcement level for plants has been unsatisfactory. In 1985, the FWS brought only 2 cases, the first since enactment of the Endangered Species Act, Convention on International Trade in Endangered Species of Wild Fauna and Flora, and the Lacey Act. The FWS served search warrants on 3 cactus importers on March 2, 1986; charges (under

CITES) have not yet been filed. While we are concerned that the cuts will reduce travel and other activities in support of investigations, NRDC believes that FWS should be able to utilize its funding to greater effect.

The cut in LE would also freeze the staff of the Wildlife Permit Office, despite an expected 25% increase in permits to be processed between FY 1985 and FY 1987. WPO is already overburdened. Its staff cannot find the time to analyze data in the files to detect and correct errors. For example, NRDC had to bring to WPO's attention the illegal importation of 3,900 cacti belonging in CITES Appendix I which had entered the country under synonyms. In order to enable WPO to carry out its duties more effectively, NRDC recommends a $50,000 add-on to the Law Enforcement budget, earmarked for an additional staff person at WPO.

## Bureau of Land Management

The Bureau of Land Management (BLM) manages approximately 340 million acres of public land and subsurface minerals under another 66 million acres. One hundred nine species of wildlife and plants found on BLM lands are listed as endangered or threatened under the Endangered Species Act. An additional 27 species have been proposed for listing and should be protected soon. Almost 800 more species are so rare that they are believed to qualify for listing under the Act, but the process of listing has not yet begun. Perhaps 20 of these will be proposed and listed before the end of Fiscal Year 1987.

As the stewards of the public land and under provisions of the Endangered Species Act, BLM must ensure the survival and recovery of these wildlife and plant species.

BLM tries to manage one-third more land than the Forest Service, and over four times as many species at risk, with a budget for wildlife that is less than one-third as large. This budget is clearly inadequate. BLM staff have identified $6.2 million worth of projects to conserve listed, proposed, and candidate species. Proposed cuts in the wildlife budget would provide only 43% of the necessary funds.

BLM's management of all wildlife receives less money than does management of just two exotic species -- wild horses and burros. We suggest that Congres curtail roundups of horses and burros until all animals now in capitivity have been adopted, and transfer $2 million from capturing horses to wildlife conservation. By taking this action, and appropriating an additional $1 million, Congress could raise funding for the BLM wildlife program to $17,000,000 -- still inadequate, but at least allowing it to maintain present efforts. We suggest further that, of this $17 million, $3.7 million be earmarked for listed species, $300,000 for candidate and proposed species.

Another possible source of funding is fees charged for livestock grazing, mineral extraction, and other uses of the public lands. Raising grazing fees to commerical levels would result in $50 million or more additional income -- some of which should be applied to increased wildlife conservation efforts. NRDC urges the Subcommittee on Appropriations to consider ways to obtain such increased income, especially as funds available from appropriations shrink.

## U.S. Forest Service

The U.S. Forest Service (USFS) manages 191 million acres of forests and grasslands in 43 continental states and Alaska. Currently 108 species of wildlife and plants found on the national forests are listed as endangered or threatened under the Endangered Species Act, or are proposed for such listing. Another 127 species are candidates for listing.

USFS biologists have identified $5.3 million worth of projects to benefit listed and proposed species. To conserve candidate species would require additional funds.

Although the USFS has over three times the funds for wildlife management compared to BLM, it devotes a much smaller proportion to endangered and threatened species. Therefore, NRDC suggests a modest increase in Wildlife and Fish research (to $9,311,000) and the total appropriation for Habitat Management and Restoration (to $37,845,000) to hold these programs essentially at present levels. We ask that $862,000 of the research total be earmarked for T&E species, again to maintain level funding. We urge, however, that the T&E portion of Habitat Management be increased substantially above both the current level ($2,364,000) and the Administration's request ($1,235,000). We recommend full funding of the program developed by USFS staff, i.e., $5,300,000. This would represent just 14% of the Habitat Management budget -- still considerably smaller a proportion than that devoted by BLM to T&E species.

### National Park Service

The National Park System (NPS) contains about 330 units totaling 79 million acres. These areas, especially the 25 million acres outside Alaska, provide vitally important habitat for many endangered species. Thirty-six listed species are found in the nearly 50 units in the Southeast Region; 30 in the Western Region, primarily in California and Hawaii; 15 in the Southwest; and a dozen are found in the Midwest. Smaller numbers are found in the other regions.

For the recent past, nearly all regions report significant monitoring and/or reintroduction efforts for bald eagle and peregrine falcon. Conservation projects for other species have been more spotty. Major projects I have identified include grizzly bear, humpback whale, sea turtles in the Southeast, cave shrimp in Kentucky, and native plants and birds in Hawaii. Plant surveys have been undertaken in some parks in the Northeast, Midwest, and Rocky Mountain regions.

Numerous other projects should be carried out to ensure survival and recovery of listed species. These include monitoring of humpback whale prey species in Alaska waters; management of the critically endangered Florida panther; and in the Southwest, monitoring of peregrine exposure to pesticides; surveys for non-cactus plant species, control of exotic species, research on endangered bats, and research on controls for the Texas south pine bettle.

The Administration's budget request for the "Operation of the National Park Service" account calls for a small over-all decrease, but an increase in several component items. The impact on individual park units' T&E funds is said to be minimal. However, the nation-wide Natural Resources Preservation Program would apparently be "zeroed out". Restoration of this program, which is one of three sources of funds for T&E work, depends on enactment of legislation to raise park entrance fees.

We ask the Subcommittee to ensure that if the fee legislation is not enacted, the NPS appropriations will be raised to restore the cuts made under this assumption especially those affecting the Natural Resources Preservation Program.

## International Conservation
## by
## National Parks Service and Fish and Wildlife Service

Scientists estimate that by the end of this century, from 500,000 to 2,000,000 distinct types of living organisms may disappear forever. Preventing widespread extinction of valuable plant and animal species depends to a large extent on improving the skills of conservation officials abroad, especially in the tropics.

In his 1986 State of the Union address, President Reagan said, "The United States has long been the world leader in making its scientific talent, data and information, and financial resources available to the international community for these purposes [improving the management of resources of common interest], and we intend to maintain such a role."

In FY 1983-1985, the FWS received $450,000 in appropriations from the Congress under the Western Hemisphere Convention to carry out projects that promote conservation in Latin America and the Caribbean. In the current year, FWS is spending about $315,000 on such projects as establishment of a graduate-level wildlife management training center for Central America; continuation of annual workshops on techniques for managing wildlife refuges and methods of conducting research on migratory birds; research on migratory song birds and terns; and helping to fund the Nature Conservancy's plant species inventory work.

It is essential that the FWS be able to continue these projects. The President's request for FY 1987 provides $662,000 to the Office of International Affairs, $220,000 of which is for Western Hemisphere Convention technical assistance. NRDC asks that this be raised to $300,000 to approach current year funding.*

The NPS has received an appropriation for implementing the Western Hemisphere Convention only in this fiscal year. This $240,000 is going primarily to training and developing technical materials for use by Latin American and Caribbean parks staff. NPS is funding participation of Latin and Caribbean parks officials in the regional meeting of the IUCN Commission on National Parks and Protected Areas. This meeting will develop a regional action plan and the first Spanish-language training handbook for managers of protected areas. The NPS will pay distribution and production costs of these materials. The NPS is considering about a dozen other projects in Latin America and the Caribbean; among them are providing an instructor for the regional Central American wildlands management course based in Costa Rica and ranger training in Argentina and Haiti. Many of these projects involve cooperation with IUCN, World Wildlife Fund, the Nature Conservancy, and other conservation organizations.

It is essential that the NPS be able to continue these initiatives, for example, by holding at least 4 workshops based on the Spanish-language training manual. Unfortunately, the

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* The FWS claims to be spending about $180,000 more on work to benefit Latin American species. This work consists of efforts under other programs: enforcing trade controls under CITES and ESA; research on migratory birds, especially waterfowl; and research on U.S.-listed endangered species. These projects do not transfer knowledge and skills to Latin and Caribbean conservation agencies.

President's budget request cuts the NPS International Affairs program from $755,000 to $423,000. This would leave no money for either on-the-ground projects or dues to the IUCN or it's cultural equivalent, ICOMOS. We urge the Congress to restore funding for NPS Office of International Affairs to at least $700,000 to permit continuing Western Hemisphere projects and dues to IUCN and ICOMOS.

Neither the NPS nor the FWS has funds to carry out conservation work in Africa or Asia outside of India and Pakistan (where both have access to excess foreign currencies). Africa is suffering from a series of well-publicized conservation crises which cry out for the expertise of these agencies. Furthermore, two regional wildlife and parks training centers already exist on the continent which are the focus for effective regional efforts.

The NPS has received about 22 requests for assistance in Africa, 32 in Asia outside India. The former include providing technical materials and instructors to the College of African Wildlife Management in Mweka, Tanzania; and assisting 16 West African countries in developing management plans for their coastal regions. In Asia, the People's Republic of China wished U.S. participation in a seminar on temperate forest ecosystems. Indonesia, Malaysia and other ASEAN countries seek instructors and advice in all aspects of wildland management, including park policy, staff training, community involvement, and park \ operations. The NPS has identified about a dozen additional projects of a global nature, ranging from cooperation on World Heritage Convention and Man an Biosphere Convention implementation to workshops on coastal resource management.

The task of conserving the Earth's wildlife and wildlands depends for success on close collaboration with all parties involved. The U.S. should act -- but not alone. Coordination of nature conservation efforts around the world is done by the International Union for Conservation of Nature and Natural Resources -- IUCN. ICUN is a membership organization, made up of 58 nations, 123 government agencies (including FWS, NPS, the Forest Service, and National Oceanic and Atmospheric Administration), and 350 non-governmental organizations. IUCN relies on a world-wide network of volunteers, scientists expert in conservation. It has a small staff in its headquarters in Switzerland. IUCN, in cooperation with World Wildlife Fund, identifies high-priority conservation needs such as threatened biomes (e.g., tropical forests, islands) and species (e.g., black rhinoceros). It then outlines what actions should be taken. IUCN also is building up the best, computerized, database on conservation issues.

In addition, the U.S. should make a voluntary contribution to the IUCN's budget of $150,000, above and beyond dues, to help it to carry out the essential work of compiling information, determining priorities, and outlining concerted action plans.

In summary, NRDC recommends the following funding levels for international conservation:

### FY 1987 Appropriations for Conservation Abroad

| Program | | President's Request | Our Goal |
|---|---|---|---|
| NPS International Affairs | | $423,000 | $1,073,000 |
| includes: | Western Hemisphere | 0 | 250,000 |
| | Africa & Asia | 0 | 250,000 |
| | IUCN contribution | 0 | 150,000 |
| FWS International Affairs | | 662,000 | 992,000 |
| includes: | Western Hemisphere | 220,000 | 300,000 |
| | Africa & Asia | 0 | 250,000 |

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## Statement of Thomas M. Franklin, Field Director, The Wildlife Society

The Wildlife Society appreciates the opportunity to provide comments on the President's proposed FY 1987 Budget for the Bureau of Land Management, Forest Service, and the Fish and Wildlife Service. The Wildlife Society is a nonprofit educational and scientific association comprised of over 8,000 wildlife managers, biologists, researchers, educators, and administrators serving the resource management fields worldwide.

Budgets for resource management agency activities directly affect the stewardship of wildlife resources and the environments upon which wildlife and humans depend. The Wildlife Society recognizes the crucial role that natural resource management agencies play in the conservation of this nation's wildlife and habitat resources. Fish and wildlife have benefited greatly from sound professional scientific management and it is important that this level of attention be maintained or improved. It is clear that the administration is continuing its attempts to affect fish and wildlife policy through the budget process. Fortunately, Congress has restored critically needed funding for fish and wildlife programs during the past several years. It is again necessary for the Congress to take an active role in restoring the 1987 budget if we are to continue sound stewardship of our nation's wildlife resources.

### BUREAU OF LAND MANAGEMENT

The administration's FY 1987 budget cuts would affect the BLM's wildlife management program severely. Wildlife Habitat Management would lose $2.16 million and 20 positions. We ask your Committee to restore these critically needed positions and funds for this important program.

The decreases are advanced by the President with assumptions such as increasing efficiency, user and interest groups assuming funding and management responsibilities, decreased planning and inventories, and deferring lower priority work. This rationale is a major retreat from BLM's statutorily mandated responsibilities and moves toward custodial management.

Under the proposed budget, new Habitat Management Plans (HMP's) and maintenance of completed habitat improvement projects will continue, but at severely reduced levels. This presents a high potential to lose previous investments in habitat improvement. Data needed for long-term planning will not be collected. This will reduce the overall quality of planning documents and present high potential for serious habitat management errors. Efforts will be limited to site-specific data collection and reliance on existing information. There will be reduced capability to establish baseline information as a starting point for monitoring. There will be inadequate funds to maintain the monitoring effort necessary to properly evaluate management decisions. New monitoring needs would be curtailed seriously because of the lack of personnel and baseline inventory data. Together, these present a high potential for continuing management actions that are having adverse effects.

Efforts to implement existing recovery plans for threatened and endangered species would be reduced to include only those projects necessary to eliminate immediate threats to survival of the species. This shift in emphasis from recovery to survival is a clear violation of the purposes and intent of the Endangered Species Act. There will be little effort devoted to collecting new information for needed recovery plan development. Delaying recovery efforts has the potential to make eventual recovery more difficult and much more expensive.

With regard to priority wildlife management needs, we suggest that major attention of the BLM should focus on restoration and management of riparian areas. In the western forest and rangelands, the riparian zone is the single most important wildlife habitat--approximately 80% of the terrestrial species require or prefer riparian areas. Although western riparian zones comprise only about 1% of the total land area and have extremely high multiple use values, most have been degraded severely through inappropriate past use; particularly livestock grazing abuse. We strongly urge the application of additional funding and personnel to address critical riparian habitat needs.

The Wildlife Society is concerned especially about the proposed reduction in biological personnel. The FY 1987 Budget would support only 280 biologists who are responsible for wildlife and fish activities on the 340 million acres managed by BLM. This translates to a reduction of 80 biologists from the FY 1981 level and would spread personnel far too thinly, i.e., 1.2 million acres/biologist. Clearly, the BLM biological staff already is unable to devote the needed attention to such vast acreage and these reductions would cripple their efforts.

The Wildlife Society recommends restoration of funding and positions to FY 1986 levels to maintain at least a minimal level of stewardship for wildlife resources on BLM lands. Moreover, careful attention should be given to the restoration and management of riparian habitat and endangered species.

## U.S. FOREST SERVICE

The President's proposed FY 1987 budget recommends reduced funding and personnel for wildlife, range and fish habitat research (-$189,000 and -2 FTE), and National Forest System support to wildlife and fish habitat management (-$4.9 million and -74 FTE). The budget is dominated by commodity oriented programs with little attention to promoting multiple use benefits of wildlife, fish, and recreation. This is unfortunate even from an economic perspective because wildlife and fish programs have a very positive cost/benefit ratio.

The Forest Service commitment to wildlife and fish research must increase. Wildlife is an increasingly important public resource; cutting research funding will decrease the Forest Service's ability to ensure that all multiple uses required by law are accommodated appropriately. Research on wildlife habitat values of old growth forest is an important area that must be increased to resolve critical questions, such as the amount of old growth habitat necessary to maintain old growth wildlife species viability. Further, this research must be accomplished through additional funds and not by reallocated existing funds from other important research efforts.

The National Forest System support to wildlife and fish habitat management is scheduled for a $4.9 million reduction that would invoke among other things, an unacceptable 45% reduction in acres of wildlife habitat improvement. If funding is not restored for this, habitat improvement activities, including endangered, threatened, and sensitive species work, would be limited primarily to mitigating development activities and in many cases even basic mitigation would not be accomplished.

The endangered, threatened, and sensitive species habitat improvement program cuts would stifle ongoing efforts to address pressing issues such as grizzly bear management, effects of gas and oil development and timber sales on wildlife, and the ability to gather necessary information to ensure that sensitive species are not affected negatively by Forest Service and private sector activities.

We are especially alarmed by the proposal to eliminate 74 full time positions from the Wildlife and Fish Habitat Management program. The Forest Service cannot afford to lose these positions if it is to maintain the level of professional resource management necessary for sound stewardship of wildlife and fisheries resources on the National Forests.

We urge this committee to recommend restoration of FY 1987 funding levels to at least the FY 1986 level. Further, we urge you to consider providing an additional $1.5 million for a challenge grant to attract investment of an equal amount from the private sector to address critically needed endangered, threatened, and sensitive species projects with emphasis on the red-cockaded woodpecker, spotted owl, and grizzly bear.

## U.S. FISH AND WILDLIFE SERVICE

The President's proposed budget for the Fish and Wildlife Service would reduce overall funding by approximately $49 million and personnel by 361 from the FY 1986 level. This magnitude of reductions would hamper severely the Fish and Wildlife Service's ability to manage federal wildlife resources.

Funding cuts would devastate ongoing endangered species programs at the State and Federal levels. Cooperative endangered species grants to states under Section 6 of the Endangered Species Act would be eliminated. The Service must uphold its commitment to assist states in addressing endangered species needs. The budget would reduce the future endangered species listing effort by $294,000 while the FWS currently has a backlog of over 1,000 candidate species.

Endangered species recovery would be reduced for the California condor, peregrine falcon, grizzly bear, Hawaiian forest birds, whooping crane, and brown pelican, all of which are being subjected to increasing pressures from human activities. Additionally, research and development efforts for the endangered black-footed ferret and whooping crane would be reduced.

Protecting endangered species are major legal and stewardship responsibilities of the Fish and Wildlife Service and these programs must be increased or at least maintained at the FY 1986 levels in order to meet that responsibility.

Wetlands constitute some of the most valuable wildlife habitat in the nation and we are losing over 300,000 acres of this resource per year. Already more than half of our nation's original wetlands have been lost. In spite of these alarming facts, the President's budget proposes that no funds be allocated under the Accelerated Wetland Loan Act even though over $15 million remain in the account. In addition, the Service land acquisition program budget would be reduced from $40.4 million in FY 1986 to $1.5 million.

Wildlife managers are very concerned about proposals that would reduce the effectiveness of the highly successful Federal Aid Program. The Administration calls for the elimination of 1/2 of the Federal employees administering the program. This would hamper severely Federal oversight activities necessary to ensure that the funds collected by the Treasury from manufacturers' excise taxes on sporting equipment as well as state hunting license revenues are applied appropriately to state wildlife management needs.

The President's budget also proposes a new entry fee for certain national wildlife refuges, allocating income among refuge operation and maintenance (40%), wetland acquisition (40%), and the general treasury (20%). Although we support the limited use of fees for entry into certain National Wildlife Refuges, we strongly oppose return of one-fifth of these funds to the general treasury at a time when funds for purchasing needed wetlands are dwindling.

The President's budget would impair the ability of the professional biologist work force to carry out the mission of the Service. The budget calls for elimination of 361 FTE, the majority of which are highly trained and capable fish and wildlife resource managers. These personnel cuts are unacceptable for an agency that already is understaffed and unable to meet its statutory obligations for wildlife resource stewardship.

In conclusion, The Wildlife Society has appreciated greatly the strong support this committee has given to maintaining critical wildlife resource agency budgets during the past several years. Your positive actions have been instrumental to maintaining important activities such as the National Forest System wildlife habitat programs and the Cooperative Fish and Wildlife Research Units. We urge you again to support the important fish and wildlife programs of the Bureau of Land Management, Forest

Service, and Fish and Wildlife Service outlined above at least at FY 1986 levels in order to continue our national stewardship commitment to wildlife resources and the millions of Americans that enjoy them.

Please include these comments in the hearing record. Thank you for considering the views of the association of wildlife management professionals.

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## STATEMENT OF LONNIE L. WILLIAMSON, SECRETARY/TREASURER, WILDLIFE MANAGEMENT INSTITUTE

I am Lonnie L. Williamson, secretary/treasurer of the Wildlife Management Institute. Initiated in 1911, the Institute's program is dedicated solely to wildlife restoration and enhancement.

### U.S. Fish and Wildlife Service

It appears to us that the basic tenet of the FY 1987 budget proposal for the U.S. Fish and Wildlife Service is to shift resource management costs to states and individual recreationists. That change in practice eventually would unravel the cooperative state-federal-private approach to wildlife management that has been woven during the greater part of this century. We trust that Congress will prevent the loss of this successful system on which the nation's wildlife depends.

What should be one of the Service's strongest pursuits, wetland protection, actually is a very weak segment in the 1987 budget. Acquisition under the Land and Water Conservation Fund is all but eliminated, and no advance is requested under the Wetland Loan Act. The only significant funds would come from duck stamp receipts, including a $2.50 increase in the price of that stamp.

The Service, which is responsible under treaty law for migratory bird habitat protection, is in the embarrassing position of slighting its wetland protection responsibility while leaning on waterfowl hunters to carry an additional burden. In our experience, sportsmen are not opposed to a $2.50 increase or more in the duck stamp price. However, they are not the least bit interested in paying more of these special fees so that the federal government may duck its duty. Wetlands are being destroyed by agriculture, industry, highways, shopping centers, subdivisions and other elements of modern society. It is unrealistic to think that 2 million waterfowl hunters can finance an adequate program to curtail that destruction, much of it stimulated by federal subsidies and tax incentives.

Through numerous hearings, various congressional committees have documented the serious need for wetland conservation not only for migratory birds, but for the broad public interest We hope that Congress will allow the Service to fulfill its responsibilities for wetland protection by approving continued funding under the LWCF and Wetland Loan Act.

The Service's 50-year partnership with state wildlife agencies under the Federal Aid in Wildlife Restoration Act is threatened by the 1987 budget proposal. Half of the Service personnel now responsible for administering both the Pittman-Robertson and Dingell-Johnson programs would be removed. The reported justification for this action is that administrative funds would be redirected from the Service to state agencies, and that the programs are "mature" and do not need federal oversight as they did years ago. Neither excuse is valid in our view.

The Federal Aid programs are tremendously successful not because the special taxes paid by sportsmen are gathered each year by the federal government and dumped on state wildlife agencies willy-nilly to be spent on someone's whim. They are successful because the Acts require state governments to invest fishing and hunting license receipts in substantial fish and wildlife conservation programs or become ineligible for P-R and D-J matching funds. And they are successful because Service regulations require state projects to be conducted by trained and capable people.

Without adequate federal oversight, many state fish and wildlife agencies again could be subject to the loss of license fee receipts, useless pet projects foisted on them by special interests, and unqualified personnel resulting from political appointments. Thus, we are strongly opposed to the massive reduction in personnel that the Administration has requested for the P-R and D-J programs.

The only significant problem that we see with the Federal Aid programs is in the Internal Revenue Service, not the Fish and Wildlife Service. IRS simply does not do a good job of monitoring and reporting the excise tax receipts on which those programs depend. You will note that allocations under the P-R program rose dramatically in FY 1986 but fell similarly for FY 1987. This does not reflect a drastic change in arms and ammunition sales, but a glitch in the IRS reporting system. Money that should have been allocated in 1985 apparently was held until 1986. A similar situation occurred in 1980-81. These rollercoaster allocations make it difficult for states to plan their budgets and have matching funds available for participating in P-R. Instead of trying to divest itself of the program, perhaps the Service should use some of the Federal Aid administrative funds to pay the salary of an IRS employee who would monitor the tax receipts closely and report them accurately. In any event, the General Accounting Office currently is reviewing the adequacy of IRS's monitoring and reporting procedures to learn, among other things, if all domestic manufacturers and importers are paying the required excise tax.

We are opposed to the national wildlife refuge entry fee as proposed by the 1987 budget. The estimated $8 million in receipts would be divided among wetland acquisition (40%), refuge operation and maintenance (40%) and the general treasury (20%). We have no objection to the fee per se, but we believe that all the receipts should be invested in wetland acquisition which is the most wanting need in the Fish and Wildlife Service. Certain aspects of refuge O&M can be curtailed without ill effects on the resource. But with wetland losses proceeding at the current pace, an emergency acquisition program is necessary. Furthermore, we see no logic in any of the entry fees going to the general treasury. A much sounder argument can be made for a flow of funds in the other direction.

Grants to states under the Endangered Species Act are not included in the Service's 1987 budget. Again, the Administration is avoiding a long-standing partnership. The federal government took away state wildlife agency authority for endangered species in the 1973 Act. In return it offered the grant program whereby states would perform local, detailed management activities that the Fish and Wildlife Service cannot handle. If we are serious about restoring endangered species rather than just listing them, this grant program should continue.

Another cooperative program eliminated by the Service's 1987 budget is the Southeastern Cooperative Wildlife Disease Study. This unit operates nationwide on private and public land, dealing with disease problems that affect wildlife, domestic livestock and poultry. It is a unique program for which no alternative is available. It is financed cooperatively by state wildlife agencies, the Service and the U.S. Department of Agriculture. The Service's continued participation is vital to the SCWDS effort and we urge that it be continued.

## U. S. Forest Service

The U.S. Forest Service wildlife program would be reduced 15 percent under the Administration's budget, from $38.7 million to $33.7 million. The 190-million-acre National Forest System currently offers more public hunting, fishing and outdoor recreation than any other agency. Yet the money to be cut from the Service's wildlife program may go to help bail out timber operators who overbid on timber contracts.

Several years ago companies bid premium prices for national forest logs with the expectation that lumber prices would rise and profits would follow. However, lumber prices did not increase significantly and the expected profits did not materialize. Congress subsequently passed a law voiding the sales. Now the Forest Service must reoffer and resell that timber to the companies again at lower prices, and at an additional cost of $55.5 million over four years. In 1987 alone, the Forest Service will spend $14.8 million, nearly three times the scheduled reduction in its wildlife budget, just to resell that timber. Fish and wildlife is a public resource and does not deserve the setback offered in the President's proposal. We trust that the committee will reject the suggested cuts in the Forest Services fish and wildlife budget.

## U.S. Bureau of Land Management

The Bureau of Land Management's 1987 budget recommendation also takes some healthy bites from wildlife. BLM's already measly wildlife program would lose 20 people and be reduced from $15.9 million to $13.8 million. And, unnecessary disregard for wildlife is evidenced by the fact that BLM's wildlife program is targeted to receive 10.7 percent of the agency's overall personnel reductions even though it has only 3.7 percent of the personnel. And wildlife would sustain 13 percent of the BLM budget cuts while it has only 4 percent of the total agency dollars.

The Administration also has proposed that BLM and Forest Service grazing fees be frozen at $1.35 per cow per animal unit month until Congress devises a new fee formula. Legislation containing the formula by which public land grazing fees were set expired last year. The Interior and Agriculture departments were supposed to have recommended a new fee schedule to Congress before the old formula expired. However, the departments have been timid when it comes to suggesting fair market value.

Last year when the President recommended that fees for recreational use of public land be increased, as is being done again this year, his Office of Management and Budget stated: "This administration is committed to the philosophy that those who benefit directly from a specific federal service should pay the costs of providing that service where charges can be reasonably applied."

We find it inconsistent for the Administration to ask for additional and larger fees from recreationists while freezing graziers' fees at only one-fifth of fair market value.

## Private Sector and Matching Fund Approaches

Mr. Chairman, this subcommittee has initiated several programs over the years which serve to draw significant financial and in-kind support for fish and wildlife conservation on federal public lands. It was the Interior Appropriations Subcommittee that made the Fish and Wildlife Service a partner with state wildlife agencies to build and maintain the Southeastern Cooperative Wildlife Disease Study, the most experienced and capable unit in the world handling interelated disease problems associated with wildlife, livestock, poultry and humans.

The Subcommittee is primarily responsible for the recent surge in restoring the dangerously depleted populations of desert bighorn sheep on public domain lands. The $300,000 challenge grants provided the Bureau of Land Management in fiscal years 1985 and 1986 are paying tremendous dividends. BLM had no trouble getting more than double the funds and support to match the federal grant. With the FY 1985 grant, BLM completed 28 on-the-ground projects to boost sheep populations. Eighteen water sources for bighorn were developed in Arizona, Nevada and New Mexico; sheep were reintroduced into four areas of historic habitat in Arizona; four additional habitats in that state were analyzed in preparation for reintroductions; and two studies were initiated to determine causes of lamb mortality in California and Utah herds. Much more desert bighorn work is under way with the 1986 funds.

The Subcommittee also developed a challenge grant program in FY 1986 for the Forest Service's wildlife program. It is going great guns also with private groups gladly raising and contributing the matching funds. The $950,000 challenge grant drew offers of more than $3 million in matching funds from the private sector.

Mr. Chairman, the Institute strongly supports the subcommittee's effort to draw more non-federal participation in federal fish and wildlife programs. Each one that you have tried has been uncommonly successful. However, somewhere deep in the Interior Department there obviously are skeptics. The Fish and Wildlife Service's budget calls for elimination of the Southeastern Cooperative Wildlife Disease Study. BLM's budget would eliminate the desert bighorn grant.

We very much appreciate the subcommittee's innovative approaches for funding fish and wildlife efforts during these tough budget times. We urge you to continue all three of these successful initiatives.

## STATEMENT OF THE INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES

The International Association of Fish and Wildlife Agencies (IAFWA) is a quasi-governmental organization of public agencies that possesses legal authority for protection and management of North America's fish and wildlife and their habitats. Founded in 1902, the Association's government members include the fish and wildlife agencies of the United States, Canada and Mexico. The Association has been a key instrumentality in promoting principles of sound resource management and in strengthening federal, state and private cooperation in protecting and managing fish and wildlife in the public interest.

Successful management of this nation's fish and wildlife resources depends on several key components: long-term and adequate monetary commitments, cooperation between state and federal governments and trained professionals to guide these programs. Our review of the 1987 budget indicates that each of these key areas is in jeopardy.

The International Association recommends that the federal government continue its role in maintenance of wetland habitats for the waterfowl resource by allowing the balance of the authorization ($10.6 million) under the Wetland Loan Act to continue in FY 1987. The Service has no realistic acquisition program for FY 1987. While approximately 450,000 acres of wetlands are lost to development and agriculture each year, the FY 87 budget advances no money from the Wetland Loan Act. This occurs when populations of most migratory waterfowl are at record lows. This Association considers it particulary ill-advised for the U.S. Fish and Wildlife Service to stop its acquisition program at this time. To the contrary, it should be a number one priority. Under treaty law, migratory birds are a federal responsibility. Because of this and the increasing loss of wetland habitat and the corresponding downward trend of waterfowl populations, this Association finds it inconceivable that this particular time has been selected to stop wetland acquisition.

In addition, we recommend that monies be released for acquisition from the Land and Water Conservation Fund (LWCF) equal to the 1986 level of $40.4 million for acquisition in FY 1987. The FY 1987 budget does not request acquisition monies from the Land and Water Conservation Fund. The Land and Water Conservation fund offers the most potiential for a substantial amount of available dollars for acquisition. The LWCF Act provides for $900 million each fiscal year through 1989. The unappropriated balance in the fund is approximately $4 billion.

Neither of these acquisition mechanisms contributes to the federal deficit. They are budget neutral, self sufficient, and the use of these monies represents an irreplaceable investment in the future of this country's wildlife resources.

The Association requests restoration of the 52 FTE's in the Federal Aid program. The FY 1987 budget proposes to reduce the staff of the Federal Aid Programs by slightly more than one-half (100 to 48 FTE's). This important program apportions dollars collected through a manufacturers excise tax on sporting equipment to the states for fish and wildlife restoration, research and education. Beginning in 1936, it has been the cornerstone of successful management in this country. In order for the states to qualify for the funds, they must use the money only for prescribed efforts, operate from a dedicated fund, and employ qualified professionals. The program is the most successful effort for fund allocation to states for fish and wildlife conservation that has been devised. Not only do the users support the program; all of the administrative costs, not to exceed 8 percent of the total receipts, are paid by the program. It is not a burden to the general treasury in any way.

The budget justification for reducing this staff is that the program has matured. While it is true that by virtue of its age it is mature, it has always been intended that the federal government be a strong partner with states to assure the best for the resource.

The federal presence is necessary to assure that state fish and wildlife agencies are not forced to submit to outside pressures that result in revenues being spent on other than fish and wildlife resources. As the federal government strives to bring its budget under control, the states will incur tighter fiscal situations in all areas. This will have a ripple effect and state legislatures will seek monies from all areas to provide revenues to other domestic needs such as education, transportation and social programs. One of the areas they will certainly look to is the dedicated funding from which each of the states work.

The P-R program is a model for cooperation between state and federal government and for assuring that productive and meaningful wildlife research is conducted. Reducing the staff by half is excessive. It is presently a difficult task for Service staff to properly check the projects that states submit for approval.

The International Association strongly requests that the Department of the Interior retain the $11.8 million of federal aid administrative funds for special projects. These funds are currently proposed for apportionment to the states. The state members of this Association, who would receive these funds, prefer these monies be kept as an administrative item and used for the type of special projects that it has funded in past years. This includes such valuable investments as the National Survey of Fishing, Hunting and Wildlife Associated Recreation, the processing of bird banding and survey data and development of aquatic resource training materials, to name a few.

We emphasize that the federal aid program is revenue neutral, user pay and in no way contributes to the federal deficit, therefore these monies should not be used as a means to offset the federal deficit problem.

This Association recommends that the Service continue to carry its share of the endangered species restoration program by maintaining its state grant program at $6 million. The proposed 1987 budget would eliminate endangered species grants to states (Section 6 of the Endangered Species Act). These monies serve as the catalyst for states to begin and continue research and management of habitats for endangered species. The premise of the 1973 Endangered Species Act was to sustain a state-federal effort that restores endangered species to viable population levels. In order to promote the protection of species that are often migratory and/or interstate in nature, the federal government took authority from the states over the species listed. In return, the Endangered Species Act of 1973 promised to assist the states through a grant program. Those grants have been instrumental in state endangered species programs. It is clear that state legislatures are not willing to appropriate adequate monies from their general treasuries for this purpose and the current federal aid and license revenues are simply too small to cover game, nongame and endangered species.

Department of Interior administrators justify the termination of Section 6 Grants on the basis that the states did not have Section 6 Endangered Species Grants in the FY 1982 and that programs fared well and can again prosper in the absence of such monies. This Association studied the impact of the Section 6 Grant termination in 1982 and determined that these grants supported over 200 professionals exclusive of contractual agreements.

The International Association of Fish and Wildlife Agencies recommends that the anadromous fish restoration program be continued and funded at $4 million. Ongoing anadromous fish programs on the Gulf, East and West Coasts involve fisheries of interstate significance and in most instances represent species suffering stock depletion and demanding interstate restoration efforts coordinated by the Fish and Wildlife Service. The federal-state program for anadromous fish grants is essential to continuing recreational and commercial fisheries that contribute approximately $17 billion to the economy each year, plus untold recreational values.

This Association's state members support the concept of fees for entry to heavily used refuges, provided the receipts are invested only in wetland acquisition. The FY 87 budget proposes to institute entry fees for certain national wildlife refuges. The income from these fees would be divided among refuge operation and maintenance (40%), wetland acquisition (40%), and the general treasury (20%). None should go to the general treasury. We see no rationalization for depositing in the general treasury fees paid for entry to areas purchased by sportsmen and other users. This is a complete abrogation of the "user pay" principle that these fees represent

We strongly recommend that the $225,000 level of support continue for the Southeastern Cooperative Wildlife Disease Study (SCWDS). The SCWDS is a field-ready unit that is prepared to travel nationwide on short notice and deal with a wide variety of disease problems that affect wildlife. With nearly 30 years of experience, SCWDS is vital to the continued welfare of wildlife, as well as domestic livestock and poultry that can be affected by disease that wildlife may transmit. This program is funded cooperatively by state wildlife agencies, the Fish and Wildlife Service and the U.S. Department of Agriculture.

**This Association requests reconsideration of the closure of 6 warm water hatcheries in the Southeast. The budget proposes the closure of 6 warm water hatcheries and several aquaria and aquaculture demonstrations in the Southeast region (Region 4). This represents a 74% reduction of the Region 4 Fishery Resource budget.**

**The Department of Interior budget has been reduced by $184 million and a disproportionate share of this reduction is being taken from the U.S. Fish and Wildlife Service's budget. The International believes Interior's budget can be trimmed in a more equitable manner.**

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## STATEMENT OF DR. TOM J. CADE, PROFESSOR OF ORNITHOLOGY, CORNELL UNIVERSITY

Mr. Chairman, thank you for the opportunity to submit a written statement on the funding needs of the endangered species recovery programs for the Peregrine Falcon in FY-87. The amount requested as an add-on to the budget of the U.S. Fish and Wildlife Service for captive propagation of falcons is $300,000.

As you know, the three, officially approved, recovery programs for the Peregrine rely on captive propagation and the release of young falcons as the main methods for restoring populations in nature. These programs are headquartered at the Laboratory of Ornithology in Ithaca, New York, at The World Center for Birds of Prey in Boise, Idaho, and at the Predatory Bird Research Group, University of California, Santa Cruz. They are operated by The Peregrine Fund, Inc. in cooperation with the U.S. Fish and Wildlife Service and other federal and state agencies, as well as with non-governmental organizations. In 1985, as an economy measure to reduce costs by increasing the efficiency of our operations, we amalgamated the eastern and Rocky Mountain propagation projects by relocating our eastern breeding stock to Boise, Idaho. This move has allowed us to reduce staff and to take advantage of the more economical quail (falcon food) producing facilities in Idaho.

Even so, the total cost of operating these three programs in FY-86 will be about $1,000,000, of which the U.S. Fish and Wildlife Service has contributed $285,000 as a consequence of the add-on approved by the Congress last year. The rest of the budget has been covered, as in past years, by contracts from regional offices of FWS, from other federal and state agencies, and gifts from private sources. For example, both California and New York provided major support in FY-85 and will continue to do so in FY-86 and FY-87, for a total of about $200,000 per year. Thus, the add-on money which the Congress has appropriated to these falcon recovery programs each year since FY-81 continues to function as a very powerful inducement for other agencies and organizations to provide the balance of funds needed. These appropriations are essential "matching funds," without which the Peregrine recovery efforts would be placed in grave fiscal jeopardy.

As the agency with primary responsibility for carrying out the provisions of the Endangered Species Act of 1973, the U.S. Fish and Wildlife Service has long been identified as the main funding source for captive propagation of Peregrine Falcons in the officially approved recovery plans. If funding from the Service can continue in the amount of $300,000 for FY-87, then the balance of the budget for reintroduction can be put together from other federal agencies, states, and other sources.

Restoration of the Peregrine Falcon in the United States continued to show excellent and predictable progress in 1985 (see The Peregrine Fund Newsletter no. 13, Fall 1985). Captive production again exceeded all previous records in our facilities, with 127 young produced in the East, 163 at the Boise facility, and more than 80 in California. Most of these young were successfully released by hacking, fostering into wild Peregrine nests, or cross-fostering to Prairie Falcons. Released Peregrines have been established as breeders in 14 states: California, Idaho, Montana, Wyoming, Utah, Colorado, New Hampshire, Vermont, New York, Pennsylvania, Delaware, New Jersey, Maryland, and Virginia.

In 1980 when I first testified before your Subcommittee, Mr. Chairman, I predicted that a significant recovery of the Peregrine Falcon would require 10 years of work and an expenditure of several million dollars. I believe your Subcommittee accepted these estimates as reasonable and feasible when you decided to appropriate funds that year. More recently in 1982, I was able to report that thanks to both governmental and private support of the Peregrine recovery effort biologists expected Peregrine Falcons to be well on the road to strong recovery by 1986, and that expectation has proved to be correct. Last year Mr. Weaver testified that, given the present rate of annual increase in the newly established eastern falcon population, we could expect to see 50 to 60 pairs on territories in 1986, 100 to 120 pairs by 1988, and by 1989 the goal originally established by the Eastern Peregrine Falcon Recovery Plan--175 pairs east of the Mississippi River--would be realized. Our results last year--40 pairs on territory and 25 of them producing 47 young--are entirely consistent with those projections.

It cannot be emphasized too strongly, Mr. Chairman, that the eastern Peregrine restoration effort is one of the few cases in which the tasks of an official FWS endangered species recovery plan have been met on schedule. We are achieving our goals, recovery can be successfully completed, and the work can be brought to an end within a specified fiscal year. I know of no other, major endangered species recovery plan for which such a statement can be made. The public and private funds that have been put into this program have not been wasted. The fact that we are on the threshold of recovery--of fulfilling our mandate under the Endangered Species Act--should mean that FWS and the federal government would want to give a high priority to funding this program to its conclusion in FY-88.

The eastern recovery plan (revised in 1986) recognizes five regions east of the Mississippi River where the goal is to establish 20 to 30 nesting pairs of falcons over the next five years. These regions are: (1) mid-Atlantic coast and Chesapeake Bay (involving New York, New Jersey, Pennsylvania, Delaware, Maryland, and Virginia), where the goal has been achieved; (2) the northeastern Adirondack, Green, and White Mountains (involving Maine, New Hampshire, Vermont, New York, and Massachusetts), where recovery has started but two more years of work are needed; (3) the upper Mississippi valley and western Great Lakes (involving Minnesota, Wisconsin, and Michigan), where releases are now well underway but where several more years are required to establish 20 pairs; (4) the southern Appalachians (involving Tennessee, Virginia, North and South Carolina), where releases have been carried out for the past two years and several more years are needed to accomplish the recovery goal; and (5) the northern Appalachians and associated major river valleys (involving mainly West Virginia, Maryland, Pennsylvania, and New York), where *no* release work has been planned owing to severe owl predation and where the strategy is to wait for natural establishment by dispersal of falcons from regions 1, 2, and 4.

Even though the overall eastern goal of 175 established pairs can be predicted for 1989, it is unlikely that all these regional goals will be met by then, and for this reason a shift in strategy may be desirable over the next two years, especially as most of the involved states are quite keen to continue with a release program, particularly in regions 3 and 4. *The Peregrine Fund, Inc.* proposes, therefore, to end its active involvement in supervision and management of the field work to release captive produced Peregrines after the FY-87 season and to turn that work over to those states or local federal jurisdictions (National Parks & Forests, Wildlife Refuges) that wish to continue it. *The Peregrine Fund* will be prepared to continue providing captive produced falcons from its Boise, Idaho facility to the state or local federal projects on a *cost per bird basis* and to contract for specific reintroduction projects in cases where states may wish to have the work done by an independent contractor. This change in operations will result in a lesser expenditure of federal funds in the East during the final years of the recovery program, which might then run in this fashion until 1990 or beyond.

The western recovery programs started later than the eastern one, and the Rocky Mountain program, in particular, has only reached its maximum capability of producing and releasing 150 to 160 falcons per year since its move from Colorado to Boise, Idaho in 1984. In the West, too, some shifts in priorities may be needed. In the past we have concentrated effort in Colorado and Utah, and there are now 14 pairs nesting in Colorado where only four pairs remained a few years ago, and there are also several established pairs in northern Utah. More recently we have begun working in the northern Rocky Mountains and Pacific Northwest (Wyoming, Montana, Idaho, Oregon, and Washington). There are 84 *known* historical eyries in the northern Rockies and northern Great Basin, and the actual nesting population must have been 2 or 3 times that number. Today the only 6 pairs known to be nesting in this region are birds released by The Peregrine Fund, and many biologists feel that this region, and the Pacific Northwest (Oregon and Washington), should receive a high priority for recovery efforts over the next several years and that federal support for Peregrine work should be shifted in that direction.

The success of the eastern program presages eventual success in the western regions as well, but the Rocky Mountain and Pacific Northwest recovery efforts may require another 10 years to restore Peregrine Falcons to numbers that would allow those regional populations to be removed from the Endangered Species List. Additional work in southern California and the Channel Islands will also be needed to restore the species in those areas.

## STATEMENT OF CAMERON H. SANDERS, JR., EXECUTIVE DIRECTOR, INTERNATIONAL UNION FOR CONSERVATION OF NATURE AND NATURAL RESOURCES

This statement, on behalf of the International Union for Conservation of Nature and Natural Resources (IUCN), is in support of expanded cooperation in the international conservation partnership between IUCN's US Government agency members, in particular the National Park Service in the Department of the Interior, and IUCN in order to enable even more effective pursuit of their common goals.

IUCN urges that US conservation agencies be fully enabled to provide the indispensable leadership and expertise for which countries all over the world look to the United States. IUCN strongly recommends that these agencies receive the resources necessary to perform this leadership task - which is also essential to achievement of the international conservation goals of the United States, itself, as understood and admired by conservationists everywhere.

International conservation is an important investment for the United States. It can help to secure the future of key ecosystems, preservation of biological diversity and of individual species and their habitats, and maintenance of the regional and global resource base on which the United States and its neighbors ultimately depend.

Wildlife and its habitat, migratory routes, ecosystems such as tropical forests, watersheds, wetlands, and so many other of the principal objects of conservation concern, are no respecters of national frontiers. International cooperation is required for successful stewardship.

IUCN unites a worldwide membership of 58 nations, 123 government conservation agencies (as in the case of the U.S., which is not a State member), and some 350 leading non-governmental conservation organizations and institutions - spanning both the developing and developed worlds.

IUCN, its international membership, and its specialized international scientific, resource management, and other conservation professional Commission networks, and its other components collaborate closely with US agencies and non-governmental bodies on problems of endangered species and their habitat, national parks and protected areas, tropical forests, wetlands, coastal and marine conservation issues, environmental law, conservation data collection and assessment, conservation policy and program formulation - as in preparation of national conservation strategies, and implementation of such key international conservation treaties as the World Heritage Convention, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Ramsar Convention on Wetlands of International Importance, and other key cooperative agreements and programs.

IUCN provides a mechanism and framework to facilitate the cooperation of US conservation agencies and organizations with their counterpart IUCN members and other bodies and with individual officials and experts worldwide. IUCN is eager to step up this vital international cooperation and extend it further.

To facilitate and strengthen IUCN's already close collaboration with its US government agency and non-governmental members here, IUCN has now established a new Washington office and affiliate, IUCN-US. IUCN-US will serve as IUCN's liaison and focal point locally for its international program and for purposes of fostering intensified international conservation partnership with - and on the part of - IUCN's US members. It will provide closer, two-way linkage between the US membership and the IUCN Secretariat in Switzerland and IUCN's other members, specialized networks and service facilities worldwide. It will work with US conservation agencies to build closer working relationships and develop and carry out joint undertakings with IUCN in priority conservation areas. It will provide liaison with other interested Federal agencies, with the development assistance community here - including the Agency for International Development and the multilateral development banks, and with the US Congress. It also will provide a mechanism to encourage closer international conservation cooperation among IUCN members in the IUCN North American region, which includes Canada and the Caribbean, in addition to the United States.

Priority areas in which there is especially strong further potential for expanding the present level of US Government international conservation cooperation with and through IUCN include:

### World Heritage

IUCN internationally serves as technical advisor on natural areas to the World Heritage Convention, in the same manner as does the International Council on Monuments and Sites (ICOMOS) on historic and cultural areas. It assists in identifying natural areas of exceptional significance for possible inclusion on the World Heritage List, it assists governments in preparing their nominations, and it assists the World Heritage Committee in scientific, technical and field evaluation of proposals. IUCN also provides assistance in the Convention's important program of training and technical exchange. This enables countries with strong conservation expertise, as in the case of the US, to help those in other lands to protect their natural areas of outstanding importance, which are seen as forming part of a common global legacy.

IUCN and its international program and outreach, working through its Washington-based affiliate, IUCN-US, are prepared to collaborate more closely with the National Park Service in the evaluation of World Heritage sites, present and prospective, and to assist in preparation of US nominations to the World Heritage List. Closer National Park Service/IUCN cooperation on World Heritage also could facilitate joint technical assistance, monitoring and assessment, and training and technical exchange projects in the field of protection of natural areas. IUCN also can provide valuable assistance in the evaluation and implementation of assistance requests from among the 90 Convention Parties.

### Regional Action Plans

The International Environmental Assistance Act of 1983 calls upon the Department of the Interior to monitor the status of protected areas worldwide. One especially promising area of cooperation, in which IUCN can help the Department to fulfill this mandate, is in working with the National Park Service in preparation of regional action plans. A model for such cooperation has been provided by the regional action plan for protected areas and related activities in the Indo-Malayan Realm, across South and East Asia, which has been developed by IUCN's Commission on National Parks and Protected Areas, with support from the National Park Service, the United Nations Environmental Program, and the World Wildlife Fund. At a meeting held in Corbett National Park in India in February 1985, scientists and managers in the field of protected areas, wildlife management, and related disciplines, from throughout the area itself, met to identify and agree on the highest priorities for conservation action in protected areas within their own region. The plan they developed was based on assessment of the situation by those most locally knowledgeable - the very people who would be responsible for such a plan's actual implementation. The outlook for implementation is immeasurably improved by the plan's reflecting first hand experience and the local sense of urgency and identification of conservation needs.

IUCN, under mandate from its 16th General Assembly in 1984 in Madrid, intends to promote development of similar, regularly updated conservation assessments and locally produced regional action plans in the other principal biological provinces of the world. Work will soon get under way on preparation of such a plan for Latin America at an IUCN meeting in Argentina, with support from the National Park Service. IUCN and IUCN-US, working with the National Park Service, can help ensure that this series of regional plans is successfully achieved and that the necessary work for their implementation is undertaken. Regional training centers can have an especially important role to play, as can the preparation and effective dissemination of needed technical information materials for conservation managers.

## Wetlands

IUCN serves as Bureau, or Secretariat, of the Ramsar Convention on Wetlands of International Importance and is actively promoting implementing measures to identify key wetlands internationally and to ensure their protection. It recently carried out an inventory of vital wetlands in Latin America and plans a similar effort in Asia to follow in the near future.

The US is the leader internationally in techniques for wetland conservation. Countries in other parts of the world need this kind of help if these crucial areas - so essential for maintenance of international flyways, as breeding grounds for coastal and marine species, as buffers to erosion, and as pollution mitigators - are to survive the increasing pressures which threaten them.

The US is in the process of adhering to the Wetlands Convention, under which it can have a very significant influence upon international wetlands protection. IUCN-US, and through it IUCN internationally, can work effectively with Interior agencies and other US IUCN members, in concert with others in this hemisphere and elsewhere, to develop and help carry out projects to implement the Convention. IUCN is already at work on development of the program for the 3rd Conference of the Convention Parties, to be held in Regina, Canada, in 1987.

## Conservation Monitoring Center

IUCN operates the global conservation data base, the Conservation Monitoring Center, located at Cambridge and Kew, in the United Kingdom. The Center, known as the CMC, produces the highly regarded Red Data Book series and other special assessments, analyses, and reports used worldwide by governments, conservation and development assistance agencies, and international organizations and others.

The CMC's computerized data storage and processing capability is in a continual process of being expanded and upgraded to accommodate the vast amount of species, habitat, protected area, and other relevant data available and much needed by conservation and resource managers and to make this wealth of material readily accessible to meet the specialized requirements of a variety of users.

Last year's State/Interior Report to the Congress on International Wildlife Conservation called on US government agencies to make full use of the CMC. Last year's State-AID Report to the Congress on Biological Diversity also demonstrated a clear need for such information for implementation of that Report's recommendations in connection with development assistance. The National Park Service draws regularly on the capabilities of the CMC, as do other Washington users,both governmental and private. They would gain greatly from even more effective, comprehensive, and readily available global data base service from the CMC locally, including possible on-line access.

IUCN is working on this question, and IUCN-US is in contact with the National Park Service and others here to determine needs and how best CMC can meet them, to develop projects for more effective and wider Washington use of CMC, and to explore the prospect for possible on-line access as needed.

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IUCN-US, on behalf of IUCN, seeks an appropriation of $150,000 in the National Park Service budget for FY 1987, in addition to regular agency dues to IUCN, to be channeled through IUCN-US to develop and implement expanded National Park Service/IUCN cooperation, with the foregoing as proposed special priorities. IUCN-US will work closely with the National Park Service to develop a joint work plan for this purpose.

## STATEMENT OF THE DESERT TORTOISE PRESERVE COMMITTEE, INC.

The Desert Tortoise Preserve Committee (DTPC) is a private, nonprofit corporation that was established in 1974. The principal purpose of the committee is to promote the welfare of the Desert Tortoise (Gopherus agassizi) in the wild in the southwestern United States and with the purpose of establishing and maintaining a Desert Tortoise Natural Area in the Western Mojave Desert. That Natural Area was formally established by the Bureau of Land Management (BLM) in 1980 as a Research Natural Area to protect the desert tortoise populations and habitat. The Natural Area was also designated as an Area of Critical Environment Concern (ACEC) in the BLM's 1980 Plan for the California Desert Conservation Area. Also, as part of the 1980 Plan, the Western Rand Mountains ACEC was identified. This area is adjacent to the northeastern part of the Natural Area and was established to protect wildlife values including the desert tortoise and the state-listed rare Mohave ground squirrel.

The Natural Area is located in a part of California which historically included the highest density of tortoise populations in the United States. The region had tortoise populations estimated at 500 to 2,000 per square mile. At the time of establishment of the Natural Area the population was only 10 to 40 percent of the historical numbers.

### Private Land Holdings

The Natural Area boundaries encompass approximately 38 square miles with over 11 square miles of private inholdings. These inholdings are the biggest threat to the existence of the tortoise as the perimeter fence can not be completed until all perimeter lands are acquired and, the interior landowners always have the right to access their land and the right of development. Therefore, the integrity of the Natural Area is always in jeopardy. Beginning in 1974, the BLM made efforts to pursue land exchanges to reduce the number of private inholdings. In 1979 the BLM did complete a land exchange with the San Diego Gas and Electric Company which resulted in the transfer of 2.5 square miles of private holdings to public ownership. The DTPC has raised over $150,000 for land acquisition which has resulted in the purchase of over 2.4 square miles to date. The Nature Conservancy (TNC) approached the BLM in April and September 1982 with an offer to purchase all inholdings in the Natural Area and then exchange these parcels with the BLM in a single land exchange. This effort was not completed and no land exchanges have been pursued since then by the BLM.

There are two potential Congressional actions which could help this situation. One would be direct appropriations for land purchase. This could be as part of a multi-year plan which would keep annual expenditures down. An alternate would be appropriations only for specific lands such as perimeter parcels. A second action which would not necessarily entail direct appropriations concerns how the BLM conducts land exchanges. One of the stumbling blocks to the proposed TNC exchange was that the TNC would purchase many small individual parcels at small parcel prices but when exchanged with the BLM in one exchange, the BLM required the land be valued at a single large parcel price per acre. This would have resulted in substantial losses to the TNC, making the exchange unrealistic. Legislation directing the BLM to pursue land exchange on the Natural Area and authorizing exchange at purchase price would greatly aid this happening.

### Perimeter Fence and Natural Area Protection

The majority of the Natural Area perimeter was fenced by the BLM in 1977-78 with the remaining fence openings being across private lands. At the time of the original fence, two sections of the Natural Area were fenced out because of private inholdings, effectively removing this ACED habitat from protection. The public was not involved in this decision. The DTPC has been raising funds to purchase the private lands. However, our capability is limited in relation to the task.

Maintenance of the existing fence around the Natural Area has been sporadic over the years. Numerous cuts and breaks (averaging 50 to 75 per year) have gone unrepaired for a year or more until just last year when the DTPC made fence repair a high priority and we have been putting many man days into this maintenance in conjunction with the BLM.

The fence which is crucial to tortoise protection has infrequent patrols by the BLM. This situation has allowed unauthorized vehicle entry, grazing trespass, and vandalism to occur frequently on the Natural Area. In April and May of 1985 two serious problems occurred on the Natural Area which highlight the current ineffectiveness of the BLM in managing and protecting the Desert Tortoise. The first incident is extensive sheep grazing trespass within the Natural Area. This grazing occurred over portions of five sections of land on the west side. Evidence of grazing could be seen right up to the fence from the inside where it was easy to see. DTPC members brought it to the attention of the responsible BLM office who had not patrolled the area and did not know this was happening. The second incident was the removal of a portion of the perimeter fence by the BLM. The original fence was incorrectly placed on private land in a key section (Section 5) in the northwest portion of the preserve. On demand of the owner, the BLM removed the fence. The fence was resited this spring with help from a private group. The problem now is that the private lands in question were fenced out along with further Natural Area lands, to shorten the length of fence being resited. This action removed another 240 acres of ACEC from the Natural Area protection.

A related problem is management of the land directly around the Natural Area. The Rand Mountain ACEC was established in 1980 with the California Desert Plan. The purpose was to protect crucial wildlife habitat for the desert tortoise and Mohave ground squirrel. As of this writing almost six years have passed and the BLM has produced no ACEC management plan to protect tortoises and their habitat. A recreation plan promoting off-road vehicle use was drafted a few years ago, but not completed. In the meantime, off-road vehicle use continues at an extraordinarily high intensity, destroying and fragmenting populations and habitat.

The proliferation of roads and trails in the Rand Mountains-Fremont Valley and elsewhere in the western Mojave Desert are having a direct impact on and are a major cause of the rapid decline of crucial habitat quality. We know that the BLM does not have a program to quantitatively measure the proliferation, nor a program to slow or stop the proliferation. We know that intensive vehicle use and maintenance of wildlife habitat/populations do not mix.

Potential resolutions to these problems all require that the BLM apply personnel resources. The annual allocation of manhours to wildlife and habitat protection is woefully inadequate. At the same time they have a much larger budget for recreation management. It appears to us that the definitions of habitat protection and recreation are being drawn without consideration of the impact of one on the other. Congressional investigation of internal procedures may be fruitful and possibly justify a reallocation of manhours and/or increases in the total budget.

## Oil and Gas Leasing

Oil and gas leasing in the western Mojave Desert and on the Natural Area are another threat to the desert tortoise. Companies and individuals applied for leases on about ten sections of public land in the Natural Area in 1980 and 1981. The local BLM Resource Area Manager in Ridgecrest, California, and the Desert District Manager both recommended to the BLM State Director that the lands not be leased because of "incompatibility with management goals for the Natural Area." The State Director was expected to uphold the recommendations of the District Office. In 1982, leases on two sections were approved "by mistake" in the Natural Area. This action raises serious questions about the BLM's desire and ability to protect the tortoise habitat on the Natural Area and the Mojave Desert as a whole.

The closing of the Natural Area to oil and gas leasing by Congressional action is the best answer to this problem. Drilling rigs and access roads are totally inappropriate on the Natural Area.

## Observations

DTPC members lead numerous tours on the Natural Area each spring and have done so since the mid-1970's. Since the interpretive facilities were constructed in the spring of 1980, we have frequently found marked and unmarked tortoises killed by vandalism and shooting. We have seen no decline in vandalism; in fact, it may be on the rise. This vandalism is probably contributing to accelerated population declines.

We also have noticed markedly fewer tortoises in the vicinity of the interpretive center since 1980. We attribute this to more human contact, collecting, and disturbances of other sorts. Our members and colleagues have observed visitors digging up tortoises, coming to the Natural Area to take tortoises, and bringing captive tortoises to the Natural Area for release. We especially can see the differences when we walk about 1/2-mile to the interior part of the Natural Area, and even more so at about one mile from the visitor facilities. There the tortoise population more closely resembles the 1980 population. These problems are also occurring at other sites on the boundary of the Natural Area.

The desert tortoise population has been declining continuously since the arrival of settlers due to human activities throughout its range. This impact is especially felt in the western Mojave Desert. The above mentioned difficulties in managing activities on public lands, coupled with ongoing and projected activities and developments on private lands (such as expanding agriculture in Cantil-Fremont Valley and the second community development of California City, all in the vicinity of the Natural Area) will keep the pressure on the desert tortoise for its very survival. We do not believe that the desert tortoise is receiving adequate protection in the western Mojave or throughout its range in general. The state and federal regulatory agencies have failed to protect the tortoise even on the established Natural Area and ACEC's. We do not think their pattern of management will change without the intervention of a Congressional committee to clarify their mission and provide adequate funding.

# NATIONAL PARK SERVICE

## STATEMENT OF VINCENT RUSSO, ASSOCIATE CHAIRMAN, LEGISLATIVE COMMITTEE, POLICE ASSOCIATION OF THE DISTRICT OF COLUMBIA

Mr. Chairman and Members of the Committee, I am Vincent Russo, Associate Chairman of the Legislative Committee for the Police Association of the District of Columbia. On behalf of the Police Association and the Line Officers of the United States Park Police, I want to thank you for once again extending this opportunity to testify regarding the continued problem of staffing shortages within the ranks of the U. S. Park Police.

During last years testimony before this Committee, the Police Association presented the facts and figures substantiating the existence of this serious problem. Furthermore, Mr. Jack Fish, Regional Director of the National Capital Region, testified to a 5 YEAR PLAN with the specific purpose of meeting the staffing demands of the U. S. Park Police. The Committee in return supported legislation which provided the necessary financial assistance to the National Park Service so that the goals of the 5 YEAR PLAN could be met.

Keeping this review in mind, a close look one year later shows no appreciatable gain in filling the approximately 50 police positions needed to reach the authorized strength of 580. Even after hiring 44 new recruits in 1985, the gap remains relatively unchanged. The Park Police presently have 536 filled police positions. Last year at this time the number was 530. The seriousness of this problem is evident in that the U. S. Park Police have recorded an increase in crime. In addition, the U. S. Park Police have yet to implement a Drunk Driving Program described in the 5 YEAR PLAN. Exacerbating this problem even further is that there is no relief in sight now that there is the Gramm-Rudman Law coupled with the fact that 44 U. S. Park Police Officers are eligible for retirement by the end of 1986.

Mr. Chairman, we do not believe the National Park Service has the financial capability to continue its 5 Year Staffing Plan. It is our understanding that all recruit classes for 1986 have been cancelled even though Congress appropriated an additional $200,000 for just that purpose. We believe the National Park Service and the U. S. Park Police need your support in resolving this monumental problem which will have a far reaching and potentially disastrous effect on the organizational effectiveness of the U. S. Park Police and the National Park Service's ability to safeguard its lands and its visitors.

### APPENDIX A

### U.S. PARK POLICE OFFICERS ELIGIBLE FOR RETIREMENT 1986 THROUGH 1989

| | |
|---|---|
| 1986 | 44 |
| 1987 | 20 |
| 1988 | 15 |
| 1989 | 30 |
| Total | 109 |

## APPENDIX B

### CRIME STATISTICS - Washington Metropolitan Area Only

**PART I.** Offenses

(this includes homicide, forcible rape, robbery, assault, burglary, larceny, motor vehicle theft, arson)

A. 1984.....1264 net increase 22.9%
1985.....1554 (diff. 290)

(1). Homicide 1984...1 (diff. 7) + 700%
1985...8

(2). Rape by Force 1984...30 (diff. 1) + 3%
1985...31

(3). Robbery 1984...227 (diff. 36) -15.8%
1985...191

(4). Assault 1984...237 (diff. 31) + 13%
1985...268

(5). Burglary 1984...58 (diff. 12) - 20.6%
1985...46

(6) Larceny 1984...675 (diff. 206) + 30.5%
1985...881

(7) Motor Vehicle Theft 1984...68 (diff. 60) +88%
1985..128

**PART II. Offenses - Washington Metropolitan Area Only**

**(this includes Narcotic and Drug Laws, Vandalism, Weapon Offenses, DWI, Disorderly Conduct)**

A. 1984...4738 (diff.758) +15.9%
1985...5496

(1). Narcotic & Drugs 1984...1754 (diff.393) +22%
1985...2147

U.S.P.P. Drug Unit (T.C.P.U.)

| | | | |
|---|---|---|---|
| Arrests | 1984..851<br>1985..1338 | (diff.487) | +57.2% |
| Identified Dealers | 1984..130<br>1985..300 | (diff.170) | +130% |
| Weapon Recovered | 1984..35<br>1985..115 | (diff.80)<br>(33 firearms) | +228% |
| Search Warrant | 1984..11<br>1985..37 | (diff.26) | +237% |

| | | | | |
|---|---|---|---|---|
| (2). | Disorderly Conduct | 1984..676<br>1985..868 | (diff.192) | +28.4% |
| (3). | Vandalism | 1984..233<br>1985..488 | (diff.255) | +109% |
| (4). | Weapon Offenses | 1984..204<br>1985..284 | (diff.807) | +39% |
| (5). | DWI | 1984..987<br>1985..842 | (diff.94) | -14.7% |

**APPENDIX C**

SERVICE INCIDENTS

| | | | | |
|---|---|---|---|---|
| A. | Total Recorded | 1984..34918<br>1985..42077 | (diff-7159) | +20.5% |
| (1) | Traffic Accidents | 1984..3427<br>1985..3725 | (diff-298) | + 8.6% |
| (2) | Aviation Unit | | | |
| | Total Cases | 1984..908<br>1985..1113 | (diff-205) | +23% |
| ~~A.~~ | Criminal Cases | 1984..70<br>1985..50 | (diff-20) | -29% |
| | Non Criminal Cases | 1984..838<br>1985..1063 | (diff-225) | +27% |
| (1) | Search Missions | 1984..29<br>1985..65 | (diff-33) | +124% |
| (2) | Persons Saved | 1984..11<br>1985..41 | (diff-30) | +273% |
| (3) | Medevacs | 1984..188<br>1985..239 | (diff-51) | +27% |
| (4) | U.S.S.S. Missions | 1984..260<br>1985..410 | (diff-150) | +58% |

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## STATEMENT OF WILLIAM BLAIR, PRESIDENT, THE NATURE CONSERVANCY

Mr. Chairman, members of the subcommittee, my name is William Blair and I am the President of The Nature Conservancy, a national non-profit land conservation organization. I would like to thank the Committee for this opportunity to present The Nature Conservancy's views on the proposed budget of the Department of the Interior for Fiscal Year 1987.

In sum, we would like to offer the following recommendations:

- We believe the Committee should reject the Administration's proposed funding level for the Endangered Species Act, and particularly the proposed elimination of Section 6 grants to the states, and should provide $28.9 million for this program, consistent with the level approved last year by the Congress.

- We strongly recommend providing the necessary funds to the Bureau of Land Management and the Forest Service to increase the number of botanists on their staffs, primarily in the West, so that they may effectively carry out their legislative mandates to identify, protect and enhance threatened and endangered plants.

- We ask the Committee to reject the Administration's proposed funding levels for the Land and Water Conservation Fund. We would urge you to approve funding for the Fish and Wildlife Service to continue land acquisition projects of urgent priority for preservation (projects described below), and to provide at least $50 million for the state grants program, consistent with the FY '86 level.

- And we ask your approval of an advance loan of $10 million to the Migratory Bird Conservation Commission, under the authority of the Wetlands Loan Act to allow the Commission to acquire lands in the Chickasaw National Wildlife Refuge (Anderson-Tulley) in Tennessee; the Cache River in Arkansas, and the Alligator River in North Carolina.

The Nature Conservancy understands and accepts the need for curbing government programs, including those programs in which we have a particular interest. We cannot, however, support the funding levels proposed by the Administration in the programs we have mentioned. Even by the standards of cost-cutting established by the Gramm-Rudman-Hollings Balanced Budget Act (PL 99-177) these proposed reductions are unwarranted and inequitable.

The proposed reduction in the Endangered Species program, from last year's $28.9 million to a proposed $23.2 million for FY 1987, represents a 23% cut. The Administration proposes a 96% reduction in the Fish and Wildlife Services appropriation under the Land and Water Conservation Fund (from $40.4 million to $ 1.5 million), and a total absence of funding for both the state grants program of the Land and Water Conservation Fund and the Advance Loan for the Migratory Bird Commission. Considering that the reduction proposed for the entire Department of the Interior is a little more than 3%, these few programs are clearly being asked to shoulder an inordinate share of the burden. We recognize that the Congress must strive to bring the federal deficit under control and make the hard choices that are necessary. We know of no valid reason for singling out these pressing needs for disproportionate reductions, and ask only that they be required to carry no more than an equal share of the cut imposed on all of Interior's programs.

## ENDANGERED SPECIES ACT

Under the Administration's budget, $23,160,000 in funding for the Endangered Species Act in the Fish and Wildlife Service is proposed. We believe that figure to be inadequate. In particular, we believe the proposal to eliminate Section 6 grants to the states to be ill conceived.

In fact, we believe strongly that Section 6 is the most important component of the Endangered Species program. The cooperative agreements which Section 6 fosters between the federal government and the states are the backbone of the data gathering and recovery process.

When this program was launched in 1976-1977, there were only 16 cooperative agreements. Today there are cooperative agreements with 44 states for wildlife and an additional 15 for plants - nearly a four-fold increase. However, funding for the Section 6 program has not increased four-fold. In fact, it remains at the same levels as 1977. And now the Administration proposes its elimination. Even today, the Office of Endangered Species can provide funds for less than half the project applications it receives.

The Nature Conservancy has an even greater interest in the Section 6 program because of the extremely important support the program provides to state Natural Heritage inventory programs. The need for objective data if the implementation of the Endangered Species Act is to be successful is critical. The Nature Conservancy has long recognized this as the central fact in the preservation of species. The Heritage programs systematically work to provide that information.

Natural Heritage Programs are continuing inventory processes supported by permanent computer information systems. They compile data on the existence, characteristics, numbers, condition, status, location, and distribution of rare or declining species and habitats in a state or region. Since the establishment of the first Heritage Program in South Carolina a decade ago, The Nature Conservancy has helped to launch similar programs in 34 states and several multi-state regions. The original goal of the Heritage Program continues to guide its efforts today. In order to make sound decisions about the allocation of conservation resources, the single most important need is for accurate information about the status of species and ecosystems. The Heritage programs have demonstrated time after time their ability to provide that information.

This information has often resulted in recommendations that certain species be removed from federal and state endangered lists. This obviates the need for the production of a recovery plan, acquisition of critical habitat, etc. Accurate information saves money. Clearly, this kind of information must continue to be available. Unfortunately, a number of state Heritage programs depend on the Section 6 program for some of their funding, directly or indirectly.

At least four of these programs in the West could cease to exist without Section 6 funds, while another four could suffer severe program damage and another two on the verge of initiating Section 6 agreements could not do so.

I would like to elaborate briefly on just one more aspect of the Endangered Species program - the listing program.

Since 1973, the list of threatened and endangered species has increased by about 430 species, an average of 37 a year. Currently, however, there exist more than 1,000 additional candidate species for which there is sufficient information to warrant proposals to add them to the list. Such proposals cannot be processed, however, because of insufficient funds.

If this backlog of candidate species were to be processed at a rate equal to the recent historical average, it would take more than 25 years just to extend protection to those species already known to need protection now. This does not even begin to address the literally thousands of other species that are suspected of being threatened. Clearly, there is a desperate need for an adequate resource base for the listing process.

We respectfully urge this Committee to fund Section 6 and the Endangered Species program overall at a minimum of levels approved last year by the Congress ($4.2 million and $28.9 million respectively).

## BOTANISTS IN BLM AND FOREST SERVICE

There is a serious lack of botanical knowledge and expertise in the Forest Service and Bureau of Land Management. These two agencies manage much of the federal estate, harbor many of the plants listed under the Endangered Species Act and have the responsibility and authority to identify, protect and enhance their respective populations of threatened, endangered and sensitive plant taxa. Unfortunately, these legal mandates are, in many cases, not being fulfilled.

There is not a single permanent BLM botanist in Alaska, Colorado, Nevada, New Mexico, Montana, Utah or Wyoming. Other states such as Arizona and California have just one botanist in a single district. As a result, the impact of BLM project activity and management decisions on rare and endangered plants is often either not being analyzed or is occurring to the detriment of these species.

To carry out its mandate properly, the BLM needs a minimum of one botanist in each state office who reviews all agency actions for compliance with federal regulations and internal policies. It is not adequate to assign an already fully occupied and botanically inexpert staff person to these duties as is now predominately the case. The person responsible for botanical advice must be a qualified full-time botanist competent to conduct field work and to bring to bear knowledge of the habitats and the management needs of sensitive plants.

Lastly, it is important to point out that the BLM has been experiencing a steady decline in its wildlife program positions, and the hardest hit category of these has been the botanists. In 1982 there were 17 botanists on staff in the wildlife program. By 1985 that number had been reduced to 8 (four of which are in one location, Oregon) a 53% reduction. This occurred during a period in which the total number of wildlife program positions was being reduced by 26%. The reduction in botanists, then, has been double the reduction in the wildlife program in general. This is justified neither by ecology nor by equity and we would urge that seven of these botanist positions be restored.

The United States Forest Service owns and manages over 190 million acres nationwide. This estate is managed by nine regional staff overseeing 138 national forests. There are at present only 10 full-time botanists in this portion of the agency, seven of whom are in California. Six of the nine regional offices have no staff botanists. The management and protection needs of rare and endangered plants are slipping through the cracks.

The Nature Conservancy feels that more qualified botanists capable of reviewing all agency plans and actions and offering detailed botanical counsel are needed in the Forest Service. Only in this way will the management needs of rare and endangered plants be addressed early in the planning process and proper biological evaluations carried out, thus avoiding costly amendments to Forest plans and activities or to USFWS listing and recovery procedures. A minimum of one full-time botanist is needed in each regional office.

## LAND AND WATER CONSERVATION FUND

On the broadest level, the Land and Water Conservation Fund exists to support the preservation of the best and most important remaining examples of the different kinds of natural lands and waters, with the animal and plant life they support, before it is too late to accomplish that.

To further that purpose, we are respectfully requesting that this Committee approve the necessary funds from the Land and Water Conservation Fund to acquire lands in three project areas where The Nature Conservancy is working cooperatively with the United States Fish and Wildlife Service. These projects and the requested amounts are as follows:

| | |
|---|---|
| - Carrizo Plains, California (blunt-nosed leopard lizard) | $ 5,000,000 |
| - Hawaiian Forest Birds | $ 4,000,000 |
| - Eastern Shore of Virginia National Wildlife Refuge | $ 375,000 |

The Carrizo Plain provides habitat for the greatest concentration of endangered vertebrate species in California, including the federally listed blunt-nosed leopard lizard and the San Joaquin kit fox. The Carrizo Plain also provides critical wintering habitat for a quarter of the California population of the rare sandhill crane. The entire remaining wild California condor population uses the southern Carrizo Plain.

On the east slope of the Temblor Range, at the edge of the Plain, expanding oil exploration and extraction activities permitted under leases on federal lands, as well as development of private lands, threaten continued destruction of this habitat. Efforts to protect habitat on public lands through on-site mitigation measures have proven ineffectual. An area the size of the Carrizo Plain (roughly 150,000 acres) can only be protected through broad private and public cooperation such as that which marked the successful Coachella Valley Project in southern California. It is projected that land acquisition costs will total $25 million. In addition, a permanent $5 million endowment must be established to fund management of the large preserve.

After a series of meetings in 1985, a Steering Committee was created in January 1986, consisting of representatives from the U.S. Fish and Wildlife Service, Bureau of Land Management, State Department of Fish and Game, The Nature Conservancy, Kern and San Luis Obispo County Governments, land owners, and oil companies conducting drilling activities on public lands in the Temblor Range. Using the Coachella Valley Project as a model, the Steering Committee will meet periodically to discuss issues of concern, develop strategies and resolve problems.

The Fish and Wildlife Service share of this cooperative venture is projected at $10 million. We are requesting that half that amount, $5 million, be included in the FY 1987 Interior appropriation in order to begin the vital work on this project, a project that is an excellent example of public and private sector cooperation.

The Hawaiian Forest Birds project is another excellent example of a cooperative effort between the private and the public sectors. The upper Hakalau Forest, on the slopes of Mana Kea on the big island of Hawaii, contains some of the finest stands of koa-ohia and ohia forests remaining in the state (and in the world). At least five federally listed endangered forest bird species and the endangered Hawaiian hoary bat, Hawaii's only native land mammal, are found in the area. It is considered to be essential habitat in the U.S. Fish and Wildlife Service Recovery Plan for four of the endangered forest birds of Hawaii.

Over the last two years, through a cooperative effort between The Nature Conservancy and the Fish and Wildlife Service, and with the support of this Committee, most of this habitat has been preserved. The funds we are requesting would finish the Hakalau project and enable the Service to continue vital acquisition efforts for endangered forest bird habitat.

Legislation to establish the Eastern Shore of Virginia National Wildlife Refuge was passed by Congress last year. The area provides some of the most important wintering habitat for migratory waterfowl on the entire East Coast.

Although President Reagan vetoed this legislation, the veto message made it clear that the President objected because the legislation also established a Training Center for the Fish and Wildlife Service, a center the President felt was not needed. The President also made it clear, however, that his administration had no objection to the Fish and Wildlife Service continuing with its proposed land acquisition for the refuge as long as fiscal conditions permitted and that the authority for land acquisition was not affected by the veto. Consequently, The Nature Conservancy is now in the process of transferring to the Fish and Wildlife Service the property we acquired last year at the Service's request.

This is possible only because of the subcommittee's support of this important project, demonstrated by last year's appropriation of $2,640,000.

Since that time, The Nature Conservancy has secured an option on one of the two remaining private parcels within the boundaries of the refuge, Skidmore Island. We ask that $350,000 be appropriated so that this property can be transferred to the Fish and Wildlife Service and the refuge move one step closer to completion.

The state grants program of the Land and Water Conservation Fund has also been one of the major sources of funding for the state Heritage programs discussed above. The Administration proposes to eliminate these grants. We urge the Committee to reject that proposal and to fund the state grants program at a level at least consistent with the $50 million approved for this year. This level is the bare minimum to keep the program alive. And it is important to note that these funds are matched by the states. A leveraged federal dollar is a more effective federal dollar.

MIGRATORY BIRD CONSERVATION ACCOUNT

Lastly, we would urge the Committee to provide $10 million to the Migratory Bird Conservation Account under the authority of the Wetlands Loan Act and would further recommend that strong consideration be given to acquisition of lands in three areas - Anderson-Tulley (Chickasaw National Wildlife Refuge), the Cache River in Arkansas and the Alligator River in North Carolina.

The Anderson-Tulley wetland complex comprises 32,000 acres of wetlands and threatened bottomland hardwoods along the Mississippi River Delta in western Tennessee. The area provides crucial wintering habitat for approximately 125,000 ducks and geese and numerous bald eagles and critical breeding habitat for the threatened (in Tennessee) Mississippi kite. The Nature Conservancy is working cooperatively with the Fish and Wildlife Service on the long-range goal of acquiring all of the necessary acres over a period of five to seven years. Continued funding through the Advance Loan Account is extremely important in keeping this project moving forward.

The Lower Mississippi River Delta, from Illinois to the Gulf of Mexico, is one of the most important winter areas for mallards in the United States, and probably exceeds all other similar areas in wood duck production. Within the Delta, the Cache River in northeast Arkansas provides wintering habitat for the largest concentration of mallards, averaging about one-third of the total flyway population. The loss of this internationally significant habitat has been tragic. Of the original 24 million acres of bottomland hardwood, it is projected that only 3.9 million acres will remain by 1995 - and it is estimated that 300,000 of those acres are being lost each year. Through the Migratory Bird Conservation Commission, acquisition of some of the most important acreage has begun. There are, however, currently in excess of 15,000 acres available to the Cache River Refuge from willing sellers.

The Nature Conservancy is working cooperatively with the Service to continue this important acquisition program and would urge this Committee to provide the Migratory Commission with sufficient funds to do so.

The Alligator River project is a 6,000-acre parcel that would be an addition to the Alligator River National Wildlife Refuge. When The Nature Conservancy acquired the property, we also acquired an option to purchase the timber rights, including several stands of Atlantic white cedar considered to be the best and most extensive remaining examples of this type of wetland ecosystem in the United States. The unaltered hydrology and inaccessibility of this tract make it particularly important as a scientific database against which changes in the partially drained and timbered Alligator River refuge forests can be compared and studied. Canada geese, whistling swans, black ducks, scaups, redheads, and other waterfowl use the area as wintering habitat; it also supports bald eagles.

The Nature Conservancy is willing to donate this property to the Fish and Wildlife Service if the Service will acquire the timber rights.

This concludes my statement. Thank you for your time and consideration in these matters.

## STATEMENT OF TERRY B. MORTON, AIA CHAIRMAN, UNITED STATES COMMITTEE OF THE INTERNATIONAL COUNCIL ON MONUMENTS AND SITES

Mr. Chairman: Thank you for the opportunity to present the US/ICOMOS program and the 1987 budget request. US/ICOMOS is most appreciative of your Committee's support under the FY 1986 budget.

US/ICOMOS is requesting $150,000 for FY 1987 as recommended by the House

Interior Committee to the House Budget Committee. (The Administration has not requested any funds in the FY 1987 budget for US/ICOMOS.)

This funding will enable US/ICOMOS 1) to continue its international preservation services program and 2) to continue to assist the following organizations in carrying out their international cultural responsibilities: the National Park Service, the Advisory Council on Historic Preservation, the Smithsonian Institution, the State Department, USIA and the National Trust for Historic Preservation.

US/ICOMOS is the leading national private organization for international cultural information exchange and related preservation programs. With the recent U.S. withdrawal from UNESCO, and the March closing of the UNESCO Liaison Office in Washington, D.C., heavier demands are being made for US/ICOMOS advisory and professional preservation services.

In preparing its 1986 budget, the State Department promised that the U.S. contribution to UNESCO, approximately $47 million annually, would be reserved for alternative bilateral and multilateral international programs. Funds were to be allocated to appropriate educational, scientific and cultural organizations, such as US/ICOMOS. In the 1986 State Department budget, only $2.7 million was allocated for alternative programs, and the remainder was lost in budget reductions. There was no general allocation for cultural heritage programs and no specific allocation for the $248,500 U.S. contribution to the World Heritage Convention. US/ICOMOS provides the means to help strengthen U.S. involvement in international cultural activities and helps to fill vacuums created by changes in U.S. policy. US/ICOMOS is the historic preservation window on the world.

Support to US/ICOMOS is made possible by the 1980 Amendments to the National Historic Preservation Act of 1966. These amendments called for the U.S. to have a role of leadership and cooperation in international preservation through programs in education, public information and training. The amendments also implemented U.S. participation in the World Heritage Convention, ratified by the U.S. in 1975. ICOMOS is designated in the Convention as th non-governmental organization to carry out cultural heritage programs fo the World Heritage Committee.

US/ICOMOS will use this $150,000 in FY 1987 for the following programs $50,000 as National Park Service dues to US/ICOMOS to support its servic programs; $35,000 to assist the National Park Service in carrying out it responsibilities for World Heritage Convention programs in the U.S.; an $65,000 to continue to plan and develop the 8th ICOMOS General Assembly i Washington, D.C., in 1987 and to continue the planning and production o publications and exhibits to interpret U.S. preservation techniques an accomplishments to 600 foreign preservation delegates coming here from 6 countries.

In 1985, US/ICOMOS gained in importance and its program was strengthene because of the Congressional recognition and the federal support under th National Park Service budget. The US/ICOMOS 1986 budget is $471,454; th 1986 federal funds of $150,000 (reduced to $142,700 by th Gramm-Rudman-Hollins bill) will be matched by more than $320,000 privat funds from membership income, year-end contributions and corporate and private foundation grants. This is a remarkable accomplishment since only fiv years ago, in 1981, US/ICOMOS had a budget of less than $20,000. US/ICOMO membership has increased during the last year by more than 10 percent to 45 preservationists, general public, libraries, organizations and foundations.

US/ICOMOS Service Programs

In December 1984, the United States withdrew from UNESCO, promising relate organizations that alternative funding would be available to them to hel carry out worthy programs, such as cultural resources activities which the State Department recognized as being well operated and meaningful. However. the alternative funding was never appropriated and heavier demands are being made on US/ICOMOS for its advisory and professional services. US/ICOMOS became involved in several programs in 1985 that will help strengthen international cultural activities. In February 1985. as a direct result of the U.S. withdrawal from UNESCO, US/ICOMOS with several members created the International Cultural Assistance Network (ICAN). This is a support network for individuals in government and private organizations involved in cultural assistance targeted at individuals, organizations and governments of othe countries. A monthly luncheon for the exchange of information is mac possible by US/ICOMOS serving as the ICAN Secretariat. A directory of services represented by the group's participants is being prepared. N programs are planned by ICAN. Its purposes are simply to: 1) keep informe about and enhance U.S. cultural assistance programs abroad and those servin foreigners in the U.S.; 2) strengthen and not duplicate each other's curren activities and 3) identify cultural assistance programs available fro foreign governments and organizations to U.S. citizens and America programs.

In 1985, US/ICOMOS became more closely associated with CARIMOS, an international preservation organization representing 18 ICOMOS countries in th wider Caribbean. This program is coordinated by the University of Florida' School of Architecture, Gainesville. CARIMOS programs relate to th celebration of the quincentenary of the discovery of America in 1992.

In another effort to strengthen international cultural activity, US/ICOMO this summer led a movement to create a new entity, the National Histori Preservation Library/International Documentation Center. Three other prominent preservation organizations were involved: the National Trust, th National Building Museum and the National Park Service. The new entit would provide a unique information resource and service to the nationa historic preservation community, afford continued linkage to establishe international sources of data, and serve the information needs of the world wide preservation community. US/ICOMOS led the effort to raise $2 millio to establish the library and operate it for a three-year period. Over th past 6 months, I worked closely with the Getty Foundation and the directo of its Conservation Institute to fund the library. After showing grea interest in the concept, the Getty Trust informed us that they could no grant the request but hoped that we would be successful.

As part of its goal to establish a strong and active exchange program US/ICOMOS launched the Summer Intern Program in 1985. Based upon a successful pilot project with the National Park Service's Historic America Buildings Survey, the goal was to provide opportunities for graduat students and young professionals, 21 to 25 years of age, to undertake an internship abroad. During summer 1985, two Germans, two Canadians and tw Britons served on the summer documentation teams of the Historic American Buildings Survey. In exchange, six Americans completed internships with historic preservation organizations in Britain. Stipends totalling $30,302.69 were donated by the Samuel H. Kress Foundation, the A.I.A.

College of Fellows, the International Union of Bricklayers and Allied Craftsmen, the Boston Society of Architects, ICOMOS Canada, the National Preservation Institute, the Historic American Buildings Survey and US/ICOMOS. In addition, more than $1,365 was raised from approximately 65 members and friends of US/ICOMOS who were asked to be a Valentine to an intern. In-kind support was donated by the National Trust for Historic Preservation, UK/ICOMOS, the Washington Chapter of the AIA, the Yankee Intern Program. Jonathan Carey, RIBA, and John Milner and Associates.

US/ICOMOS recently received of a $37,265 grant from USIA insuring the continuation of the program in 1986. In summer 1986, however, the program will be entirely with Britain. Eight British students will work for the National Park Service in the United States and eight Americans will complete internships in the United Kingdom. Once again all the money for the student stipends--$32,000--must be raised from private sources. Members will host British students during their stay in the United States.

US/ICOMOS continues to assist members to attend meetings and educational programs abroad. Paul Gleye from Pasadena, Calif., was the U.S. delegate to a colloquium on "Problems, Protection and Contemporary Use of Architectural Monuments" in Estonia, USSR. Marilyn Kaplan spoke on building and fire codes in the United States at a conference in York, England, sponsored by UK/ICOMOS. Valerie Sivinski, a student at the University of York, recently received a travel grant from the Kress Foundation under US/ICOMOS sponsorship. In July, US/ICOMOS cooperated with the National Park Service in supporting the participation of Jerry Rogers, Associate Director of Cultural Services, National Park Service, in attending a conference on conservation policies and practices at Culzean Castle in Scotland sponsored by the National Trust for Scotland and the Historic Buildings Council for Scotland.

In 1986, US/ICOMOS will continue its lecture program. Seven lectures were presented in 1985 ranging from a description of the treasures of the National Trust for Scotland to heritage conservation in New South Wales, Australia.

US/ICOMOS continues to meet and correspond with preservationists throughout the world, providing them with basic information on many issues. It is rewarding to meet visiting professionals, learn about their preservation programs and problems and brief them on the American system. Equally important is sending information to correspondents, many of whom are reviewing practices in the United States as a model in developing new programs in their countries.

The National Trust for Historic Preservation and US/ICOMOS continue their close association as partners in national-international preservation. This collaboration insures that inquiries on international subjects or from outside the U.S. are forwarded to our office for reply. As part of the ICOMOS network and our affiliation with the Trust, we also respond to requests for information from foreign governments and their national nonprofit organizations on American preservation programs, particularly the tax incentives programs.

US/ICOMOS also cooperates with the National Park Service in hosting foreign officials from other countries who are studying park management in the United States. In 1985 there were three representatives, one from Japan, one from England and the third from Spain. US/ICOMOS has recently joined the National Park Service in initial discussions regarding cultural resources cooperation with India utilizing a mixture of National Park Service special foreign currencies and US/ICOMOS and other private sector support.

In 1985, US/ICOMOS continued to promote ICCROM programs, process applications to ICCROM courses and conduct the jury nominating American participants on behalf of the Advisory Council on Historic Preservation. Three Americans were selected for 1985 courses. Kate Ottavino and Richard Pieper attended the Conservation of Stone course in Venice in the spring. Hâna Harris participated in the first Conservation of Paper Objects course held in Rome this fall. Richard Laub and Stephen Farneth were students in the 1985 Architectural Conservation course and Richard Kowell completed the Conservation of Mural Paintings course. US/ICOMOS assisted the students with funding from the National Museum Act. In 1986, Jay White of Waitsfield, Vt., Joseph Orfant of Boston, Mass., and Sergio Cautino of San Juan, are attending the ICCROM Architectural Conservation course.

The Summer Intern Program and the administration of applications to ICCROM continues to make US/ICOMOS a focus for inquiries regarding preservation courses abroad. To this end US/ICOMOS printed a brief list of short courses in historic preservation held outside of the United States.

In 1985, US/ICOMOS sponsored a behind-the-scenes preservation study tour for 23 of its members to China, lead by Dr. William J. Murtagh, former Keeper of the National Register and a member of the US/ICOMOS Executive Committee. In 1986 he will lead a tour to Hungary and Austria, where the ICOMOS national committees in those two countries will conduct study tours for the American participants.

At its 1985 annual meeting, US/ICOMOS designated its 10th "US/ICOMOS Fellow," Dr. Eduard Franz Sekler of Harvard University. Dr. Sekler is honored as an American preservationists who has made outstanding achievements in international preservation and notable long-term contributions to the advancement of preservation standards and programs.

1987 ICOMOS General Assembly and Scientific Symposium, October 7-16, 1987. To be hosted in the United States by US/ICOMOS, this international meeting will be cosponsored by the National Trust and the National Park Service. More than 25 other national preservation-related organizations will be cosponsors, including the Smithsonian Institution, the Organization of American States, the World Bank, the American Institute of Architects and the U.S. Department of Transportation.

Funds totalling $750,000 are to be raised in order to host the meeting for the 600 delegates from the 68 ICOMOS national committees. A National Advisory Committee has been formed to assist fundraising efforts with Stephen S. Halsey, President of the American Express Foundation, as its chairman. Persons named to date to the Committee from around the country are: Alexander Aldrich, Walter Beinecke, Jr., Matthew Bender, The Honorable John Brademas, Clement E. Conger, Mrs. Lammot du Pont Copeland, Christopher Forbes, Ambassador John Kenneth Galbraith, Mrs. Johnson Garrett, Brendan Gill, Carlisle H. Humelsine, Philip Johnson, Orin Lehman, The Honorable Charles McC. Mathias, Jr., Elizabeth Moynihan, Mrs. Jefferson Patterson, Nathaniel P. Reed, S. Dillon Ripley, Robert A.M. Stern.

A grant of $30,000 from the National Endowment for the Arts has just been received for the research and writing of a book on the conference theme, "Old Cultures in New Worlds." This will be a presentation of U.S. preservation concepts, issues and accomplishments, interpreting preservation development in the United States over the 20 years since the enactment of the National Historic Preservation Act of 1966.

Another grant of $33,500 has been received from the Brown Foundation to produce an exhibit based on the book, "What Style Is It?" published by the Preservation Press of the National Trust. The exhibit is being produced under the Smithsonian SITES program in cooperation with the Preservation Press and the Historic American Buildings Survery.

The first Call for Papers will be distributed in March to the 68 national committees of ICOMOS. Delegates will speak on preservation problems and solutions under themes dealing with 1) "conservation and preservation of monuments, districts and sites;" 2) "technology, techniques and training in preservation and conservation;" 3) "monuments in relation to their natural and built environment and their historical contexts;" and 4) "managing monuments as a national resource." Several hundred papers will be presented as well as being published for distribution around the world through the 68 ICOMOS national committees.

Study tours in Washington and the nearby cities of Baltimore, Annapolis and Alexandria are being planned, as well as post-meeting tours to Williamsburg, New York City and Chicago. Colleges and universitites around the country with preservation programs will host delegates for post-meeting speaking engagements.

World Heritage in the United States. The activity in which US/ICOMOS is most directly associated with the National Park Service's international responsibilites involves the World Heritage Convention, ratified by the United States in 1973. The work is carried out under a cooperative agreement between US/ICOMOS and the National Park Service.

This year at the request of and in cooperation with the National Park Service, US/ICOMOS commissioned a study to evaluate U.S. architectural properties for potential nomination to the World Heritage list. The properties include Monticello, the University of Virginia, and the Chicago School and the Frank Lloyd Wright themes. Antoinette Lee has just completed the evaluation which has been presented to the international and history divisions of the National Park Service. The report then goes to the Federal Interagency Panel on the World Heritage on which US/ICOMOS has official observer status.

In August of this year, Robertson E. Collins and I attended the dedication of Yosemite National Park as the latest of the 14 U.S. World Heritage sites. Secretary of the Interior Hodel and National Parks Director Mott participated in the dedication. Author Wallace Stegner pointed out parallels between John Muir, who camped at Soda Springs in 1889 and helped lay the groundwork for the creation of the Yosemite National Park, and Ansel Adams, whose photographs captured the essence of Yosemite and the Sierra. "A place is not fully a place," said Mr. Stegner, "until it has had its poet. Yosemite and the Sierra Nevada have had two great poets, Muir and Adams. In consequence I think these mountains are better understood, held worthier of respect and protection than they would be if those two had never looked on them with reverence and been delighted with spring dogwood blossoms, exhilarated by glacier pavements, dazed by half-mile cliffs and glorified by snow peaks blossoming like roses in the dawn....Possibly the best hope for world peace," concluded Mr. Stegner, "lies not in more weapons of obliteration and not in stalemated world peace talks but in expanding our community of interest, with both our friends and adversaries, in our mutual love for the land and the cultural heritage around us, and in the care and nurture of the planet itself. For such an effort, what better role models than Muir and Adams?"

More than 350 people attended 1985 World Heritage Day at the National Geographic Society. Opening remarks were provided by Secretary of the Interior Donald Paul Hodel. Presentations were made on Fort San Juan and the Statue of Liberty, both U.S. World Heritage sites. 1986 World Heritage Day on April 22 will feature World Heritage sites in India, including the Taj Mahal and its gardens. Cosponsors will include the National Park Service, the American Institue of Architects and its Washington Chapter and Mid-Atlantic Region and the National Trust.

As in past years, US/ICOMOS will again in 1986 assist National Park Service efforts at San Juan National Historic Site, a World Heritage site, by helping to make possible a Historic American Buildings Survey team for 12 weeks to carry out architectural documentation on historic aspects of the property. As mentioned earlier, US/ICOMOS and HABS are collaborating during the summer with USIA to bring eight foreign architectural students to this country. One foreign student will supplement the U.S. architecture students on each team.

The newsletter, "World Heritage," is issued periodically by US/ICOMOS in cooperation with the National Park Service. The two organizations have also cooperated on the publication of a brochure on the World Heritage Convention, which is available from the two organizations and the 14 World Heritage sites in the United States.

An exhibit on the World Heritage Convention, highlighting the 14 U.S. sites of cultural and natural significance to the world on the World Heritage list, is being prepared by US/ICOMOS for the 1987 ICOMOS General Assembly. It will then circulate within the National Park Service to interpret the program at the 14 U.S. sites: Cahokia Mounds State Historic Site, Everglades National Park, Grand Canyon National Park, Great Smoky Mountains National

Park, Independence Hall, Mammoth Cave National Park, Mesa Verde National Park, Olympic National Park, Redwood National Park, San Juan National Historic Site and La Fortaleza, The Statue of Liberty, Wrangell/St. Elias National Park, Yellowstone National Park and Yosemite National Park.

The U.S. Congress, the Department of the Interior through its National Park Service and US/ICOMOS have formed an exciting public-private partnership for international preservation. Through these jointly sponsored programs, supplemented with private funds, Americans will be better trained in preservation techniques and will contribute to preservation worldwide through technical programs and publications and information exchanges. The American public will become more aware and appreciative of its cultural heritage and of its relatonship and significance worldwide.

As Jerry Rogers, Associate Director of the National Park Service, stated at the US/ICOMOS September briefing on the General Assembly to cosponsoring organizations, "We gain a broader base for and a greater ability to sharpen the principles, standards, and practices by which we improve the field of preservation. A global basis for consensus in preservation is available.

Let us use it. This international encounter will enable American preservationists to learn developments in the state of the art around the world; it will enable us to reinforce the social goals of our own country; it will allow us to broaden our perspectives; and further, we must be mindful of the usefulness of preservation as an instrument of diplomacy. In our own small ways, we are part of the apparatus of peace."

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## STATEMENT OF KENT J. BLUMENTHAL, ACTING DIRECTOR, GOVERNMENTAL AFFAIRS DIVISION, NATIONAL RECREATION AND PARK ASSOCIATION

The National Recreation and Park Association extends its appreciation to Interior Appropriations Subcommittee Chairman James A. McClure for the opportunity to submit the Association's views on the National Park Service and USDA-Forest Service budget requests for fiscal year 1987.

The National Recreation and Park Association is a national non-profit organization engaged in a wide range of research, education, policy and program initiatives in the area of parks and recreation. We have a membership of over 18,500 individuals, organizations and agencies performing an array of civic, professional and technical functions to meet diverse recreation demands. For the most part, our members are associated with public recreation and park systems. We have an affiliate organization in each state and the District of Columbia.

We are disappointed and disturbed by the Administration's inadequate budget request for certain programs within the National Park Service and the USDA-Forest Service for fiscal year 1987. We are subsequently concerned for the future of affordable and quality parks and recreation in America.

In fiscal 1987, several successful and proven programs have been targeted for no funding, underfunding, and in some instances rescissions of previously appropriated funds. Targeted programs include:

o LWCF State Assistance
-termination of state and local participation in the Land and Water Conservation Fund; rescission of $35.9 million in FY1986 appropriated funds to $10 million total.

o NPS Land Acquisition
-emergency acquisition funds only in FY1987, no funds for new acquisitions; rescission of $19.3 million in FY1986 appropriated funds to $23.8 million total.

o National Recreation and Preservation Programs
-withdrawal from effective Federal participation in policy coordination, technical aid, planning and other intergovernmental functions in the area of parks and recreation. The Administration proposes to reduce national recreation programs by more than 50% from a FY1986 appropriation of $600,000 to $284,000 in FY1987. This will result in a reduction of 11-FTE to 5-FTE.

o Urban Park and Recreation Recovery Program
-termination of the UPARR program.

o USDA-Forest Service Research Work Unit
-closing of the highly regarded research work unit on river recreation management in St. Paul, Minnesota.

o We also question several aspects of the proposed new fee acquisition program designed to replace, in part, previously appropriated funds for operation and maintenance of units within the National Park System.

We recommend the following in lieu of the Administration's fiscal 1987 budget request:

o At least $75 million for State and local government participation in the Land and Water Conservation Fund;

Past LWCF State Grants Appropriations
(in millions)

| FY1983 | FY1984 | FY1985 | FY1986 |
|---|---|---|---|
| $110 | $73 | $72 | $46 |

o At least $10 million for the Urban Park and Recreation Recovery Program directed to innovative and planning grants;

o At least $135 million for the NPS Land Acquisition program.

o Amounts necessary to effectively administer the above grant-in-aid programs and NPS land acquisition program.

o Amounts necessary to participate effectively in authorized interagency and intergovernmental planning, coordination and technical service functions, including recreation statistics and information; surplus federal real property; and the federal recreation fee program.

o Amounts necessary to effectively continue the USDA-Forest Service river recreation research unit in St. Paul, Minnesota.

## RATIONALE

It is incongruous that the administration has proposed such drastic program rescissions and budget cuts before the President's Commission on Americans Outdoors presents its final report to the President. The purpose of the Commission, appointed by President Reagan in 1985, is to "examine the outdoor recreation resources, programs and opportunities that will ensure the future availability of outdoor recreation for the American people." It is premature and inappropriate to reduce or eliminate recreation resource programs now in effect before the President's Commission presents its findings and makes its recommendations for the future.

## LWCF State Assistance Program

The state grant program of the LWCF provides matching funds for land acquisition and recreation development for states and municipalities. Over 32,000 individual projects have resulted from this federal-state partnership, supplying recreation opportunities close to home, accessible to low-income and handicapped persons and protecting at least 2.8 million acres of land. In addition, acquisition and development of local park and recreation lands and facilities reduce pressures on National Park areas.

The total estimated state and local request for FY1986 funds from the program exceeded $316 million. It is anticipated that state and local requests for FY1987 LWCF grants will exceed that amount, due to decreased appropriated funds for the program over the past several years. The unappropriated balance in the Land and Water Conservation Fund currently exceeds $4 billion.

Very efficient and capable administration of the program has also reduced the unexpended balance of LWCF funds from approximately $600 million in FY1982 to approximately $173 million in FY1986.

We agree with the House Committee on Interior and Insular Affairs recent statement that rejected the Administration's attempt to close out the LWCF State Grant program, and comment that "[The LWCF State Grant Program] is a vital catalyst in providing a diverse spectrum of recreational opportunities for all of the people of our Nation."

## Urban Park and Recreation Recovery Program

The Urban Park and Recreation Recovery Program was proposed to Congress in 1978 as a $750 million component of a larger urban revitalization package. Today, approximately $540 million of the authorized total remains unappropriated. The UPARR program complements the LWCF state grant program--it funds no land acquisition, and emphasizes rehabilitation of existing, older parks and recreation facilities. The UPARR grants are commensurate with the needs of larger cities, and require long-term, non-federal commitments to operation and maintenance of assisted facilities. No new funds have been made available through UPARR since FY1984.

## NPS Land Acquisition

The National Recreation and Park Association considers National Park lands an investment in America's future, not an object of a one-time expense to be considered in purely economic terms. NRPA has joined with other national conservation organizations in identifying acquisition priorities for FY1987.

Identification of priority land acquisition sites is dependent upon one or more of the following criteria: whether there are court awards already existing or anticipated for which the federal government has an obligation to compensate land owners; a serious threat to lands, waters, and/or wildlife; a likelihood of willing sellers and/or hardships to land owners; or an ongoing land acquisition program designed to complete a project within a certain time period.

Forty (40) sites have been identified as priority acquisition sites for FY1987 requiring $135 million in funds. We therefore disagree with the Administration's proposed rescission of FY1986 land acquisition funds and object to no new funding for acquisitions in FY1987.

The FY1987 budget request for LWCF funds for the National Park Service amounts to a de facto moratorium on land acquisition. Only administrative costs, deficiency awards and an extremely limited number of hardship cases would be funded. We agree with the House Subcommittee on National Parks and Recreation in rejecting this approach to land acquisition policy. Higher acquisition costs for the federal government have resulted from delays in completing acquisitions within these areas. Delays have also increased threats from development and continued hardsnips for landowners who are willing sellers.

Recreation and Technical Assistance Programs

Activities addressed by these programs have been instrumental to the success of recreation and park policies and programs at federal, state and local levels. Recreation program activities include technical assistance to State and local governments, recreation data collection and analysis, transfer of surplus Federal real property to local governments for recreation uses, monitoring Federal recreation fee programs, and preparation of Nationwide Comprehensive Outdoor Recreation Plans. Elimination of funds for these programs would be detrimental to efforts to improve data collection on recreation usage and impacts. These programs have proven successful, and should be continued at adequate funding levels.

USDA-Forest Service River Recreation Management Research Work Unit

This research work unit of the Forest Service has been and is very productive, having developed many important findings and guidelines concerning user perceptions, preferences, and management concepts for our national and state wildland river recreation areas. The river management research work of this unit is not complete. Several federal agencies, colleges and universities, including the U.S. Army Corps of Engineers, National Park Service, Oregon State University and the University of Minnesota continue to benefit from research conducted by this research work unit.

Operation of the National Park System Fee Program

We have several questions about the Administration's proposal to use revenue from user fees to operate and maintain the 337 units of the National Park System.

o Will the new fees preclude participation by those who are least able to afford them? We cannot condone a National Park System operated exclusively for the affluent.

-Would a voluntary user "donation" program be a realistic alternative to the application of mandatory user fees?

-Would an incremental fee structure established over a period of several years be more acceptable and affordable to the public?

o Will an increase in entrance fees and user fees decrease visitation to our National Parks? If so, how will this effect the local economy surrounding each park unit?

o If gross revenues from new fees do not meet expectations, can the National Park Service expect a Congressional "bail-out" with supplemental appropriations, or would the Park Service be expected to immediately curtail operations and reduce staff?

-In our opinion, recreation user fees must not replace operation and maintenance appropriations, but rather supplement appropriations.

o An imposition of a new series of fees and charges would, in itself, assist in reducing the federal deficit. However, if the new fee program is implemented as now proposed, recreational users of the National Park System may be unfairly taxed by having 20% of their fees attributed to the Treasury's General Fund, while other Americans remain free of this surcharge for government service.

-We believe that if a new user fee program is implemented, all fees collected by the National Park Service should be utilized by the National Park Service only.

The National Recreation and Park Association will continue to keep abreast of the proposal to increase recreation user fees in the National Park System. If a new fee system is implemented, it should be accomplished equitably, and must not preclude access to our Nation's parks by any segment of our population. Also, in our opinion, recreation user fees must not replace appropriations for operations and maintenance, but rather supplement them.

The National Recreation and Park Association will be pleased to provide additional information or other assistance to the Subcommittee on Interior Appropriations if necessary.

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## STATEMENT OF ROBERT B. VICE, CHAIRMAN, PRESERVATION ALLIANCE

My name is Robert B. Vice. I am chairman of Preservation Alliance of Louisville and Jefferson County, Inc., Louisville's non-profit preservation organization. I am also president of Hilliard Lyons Real Estate Finance, Inc., a real estate investment banking firm affiliated with the regional stock brokerage firm of J.J.B. Hilliard, W.L. Lyons, Inc., and chairman of Preservation Action, Inc., the national citizens lobby for historic preservation.

I wish to address the very serious implications of the President's 1987 Budget that has been submitted to the Congress. For the sixth straight year, we find that the appropriation for the National Historic Preservation Fund has been "zeroed out". However, this year we are doubly distressed to learn that the Budget contains a rescission of 79% of the 1986 appropriation to the states and the National Trust for Historic Preservation, funds which the Congress appropriated and the President approved.

### The Historic Preservation Program

The historic preservation program is a relatively small program by federal standards; however, since 1980 the preservation and rehabilitation of abandoned and under-utilized historic buildings has changed the complexion of our cities, small towns and rural communities. Neglected neighborhoods have become safer places to live; business districts have flourished; construction jobs, created by labor intensive rehabilitation activities, have given young men and women meaningful, dependable employment; and former slums now contribute to local treasuries through increased property values. While many may not be consciously aware of it, historic preservation has become important to Americans by improving the quality of their built environment where they work and live.

There are two components of the program that makes this possible. First, there are the tax incentives--the rehabilitation investment tax credits--that compensate for the risks inherent in the rehabilitation of under-utilized or abandoned buildings in neglected areas. The investment tax credits are attracting private capital and private entrepreneurship.

Second, the historic character of rehabilitated buildings is protected by quality controls imposed by the certification requirements of the Secretary of Interior's Standards for Rehabilitation. The "hands on" administration of the certification process has fallen in large part upon the state historic preservation offices, the statutorily-mandated partner of the National Park Service. Duties undertaken on behalf of the federal government by the state offices include surveys for and nominations to the National Register of Historic Places, certifications for rehabilitation projects using the tax credits, and compliance with Section 106 of the National Historic Preservation Act. In performing these duties, the states are being reimbursed for expediting required federal procedures, not for carrying on state preservation programs as referenced in the rescission section of the Budget. Accordingly, the costs incurred by the states in these activities are, and should continue to be, underwritten by a federal appropriation.

The National Trust for Historic Preservation assists in this effort. One of its most visible programs is the Main Street Program, which has captured the hearts and imaginations of small-town America. Through this program, small-town businesses are beginning to use the increasingly popular rehabilitation tax credits to bring business "back to main street".

The coupling of the tax incentives with an efficient historic preservation certification program has produced some amazing statistics. Since 1981:

- 10,358 historic buildings have been rehabilitated;
- $7.7 billion in private capital has been invested;
- 200,000 jobs have been created; and
- 57,926 housing units have been created--
    - 31,608 units through adaptive reuse
    - 11,378 low- and moderate-income units.

The millions of Americans whose lives have benefitted from this activity would agree that this is among the best federal programs. Its effectiveness is all the more impressive because most of the money has come from the private sector--an important consideration in a deficit-conscious nation. The relatively small appropriation for the Fund is far outweighted by the program's contribution to the economy.

We have created a program that works using a unique partnership among the federal government, the state governments, the National Trust and the private sector. State staffs are in place implementing the federally-mandated policies of the National Historic Preservation Act and the Secretary's Standards for Rehabilitation because for more than six years the Congress has shown its confidence in and support for the historic preservation program. To have our national heritage preserved in a way that produces great economic benefit addresses policy objectives and fiscal objectives in a very innovative fashion.

## The Request for Rescission

The uncertainty caused by the request for rescission is creating hardship for the states and the National Trust. Staff and programs have been planned based upon the 1986 Congressional appropriation--an appropriation signed by the President. Forty-five days of uncertainty about the disposition of this request will create severe cash flow problems for these programs and the rehabilitation developers that rely upon the state offices for approvals. Staff lay-offs in state offices will likely create costly delays or even abandonment of rehabilitation projects by frustrated developers.

We question whether the $19.5 million rescission of funds is a good trade-off for the federal revenue that will be lost to the Treasury from various taxes if historic rehabilitation activity declines from its present level. State office assistance enables private dollars to be invested in historic buildings with the federal government being one of the beneficiaries. However, if the states pull out of the program, historic buildings will return to the status of decay and "unwantedness" that characterized the crime-ridden inner cities, central business districts and slums of a decade ago.

## The 1987 Appropriation

Funding the historic preservation program in FY '87 will allow the states to continue to assist the federal government in its stewardship of our nation's historic resources. The $20.5 million appropriation insures that the states will provide matching funds to work expeditiously with the National Park Service. The $4.5 million appropriation insures that the National Trust will continue its work with the private sector that Congress chartered it to do.

I believe that the Congress truly understands and values this program. You have been fair in your appropriation of funds in the past and have been rewarded with a very efficient program. The national preservation community is ready to assist your deliberation with facts, figures and grassroots support for a denial of the President's request for the rescission of the FY '86 appropriation and for funding in FY '87 for $25 million, the same level as FY '86.

The Congress must continue to remind the President that this program is not a grant program to the states, but one that has helped American families, communities and businesses. If state governments are to continue supporting the program with their own dollars the federal government must participate with funding as well.

Summary

Historic preservation has the support of those who care about our national heritage as well as the support of civic leaders, architects, business, mayors and the construction trades. It benefits Americans of all income levels; it works in rural as well as urban areas; and it is successful in both the snowbelt and the sunbelt.

The pressures for deficit reduction will make your task more difficult this year than in any other year in recent memory. We believe that the case for the retention of level funding for the National Historic Preservation Fund and the rejection of the President's request for rescission is a good one. And we further believe that this Committee's recommendation for funding will assure the continuation of a program authored and enacted by Congress 20 years ago this year, the National Historic Preservation Act of 1966.

## STATEMENT OF J. JACKSON WALTER, PRESIDENT, NATIONAL TRUST FOR HISTORIC PRESERVATION

Mr. Chairman and members of the Committee, we thank you for your indispensable past support and ask you to reaffirm the value of a national historic preservation program by recommending continued funding for the National Trust for Historic Preservation and our partners in the preservation program, the state historic preservation offices. Congress has recognized the merits of the work of the National Trust by appropriating matching grants annually for the past eleven years. The case for continuing that funding remains as strong as ever. We request $4.38 million so that we may continue to do the job Congress created us to do.

At the same time we make this request, however, we recognize and acknowledge the gravity of the current federal fiscal situation. This situation in no way diminishes the justification for grant assistance. It does impose difficult decisions on the Congress and we are eager to work with you, Mr. Chairman, and the committee to reconcile the demands of this situation with our nation's commitment to a national preservation program.

### Twenty Years of a National Preservation Partnership

1986 marks the 20th anniversary of the National Historic Preservation Act. It is a year to celebrate the fact that the work of preserving America's heritage is flourishing. There are currently more than 400,000 buildings and thousands of other significant properties listed in the National Register of Historic Places. More than $2 billion of private money is being invested annually in the rehabilitation of tax credit eligible historic buildings. Millions more is invested in thousands of other historic houses. Jobs have been created and thousands of properties have been saved and reused.

1986 is also an appropriate time to review the reasons Congress provides funding to the National Trust. Congress chartered the National Trust in 1949 to further the "national policy to preserve for public use historic sites, buildings and objects of national significance for the inspiration and benefit of the people of the United States" and "to facilitate public participation in" such preservation. (Title 16, United States Code §§ 468 and 461 et seq.) And in 1976, Congress created the Historic Preservation Fund, a source of funds earmarked from Outer Continental Shelf Lands Act revenues for the National Trust and the State Historic Preservation Offices. (The Fund is currently authorized at $150 million annually.)

We believe we have justified Congress' support of the National Trust to assist in implementing the nation's preservation program. We carry out our charter and legislative responsibilities by putting our annual appropriation to work in a variety of creative ways. Federal support enables us to:

- Preserve significant landmarks for future generations

  Historic houses are the flagships of the preservation movement. A visit to such a property has the power to inspire people and get them involved in preservation work. We are the prudent stewards of the 15 historic house museums we own on behalf of the American people. They serve as national models of creative ways to preserve, finance and utilize historic sites, and are important cultural, educational and tourist assets in their local communities.

  Looking ahead to next year's bicentennial of the United States Constitution, we are developing the financial resources necessary to open to the public for the first time Montpelier, the home of the father of the Constitution, James Madison.

- Lead the way in sharing preservation's benefits with all Americans

  We continue to lead the private sector with innovative ideas and model programs. For example, in Joliet, Illinois, a Congressionally supported grant from our Critical Issues Fund made possible an innovative reuse study of the 1860s Joliet Works of U.S. Steel. The 170 acre historic site was seen by many as an eyesore representative of the decline of the industrial northeast. The recently completed study outlines a plan to reuse the site as a heritage business park that would attract new jobs and illuminate the area's heritage. In January, U.S. Steel Realty announced its intention to begin implementing this plan.

  Our National Main Street Center's latest initiative, the Urban Demonstration program, is applying the lessons we learned on small town main streets to the shopping streets and neighborhoods of big cities. Working with community leaders, the National Trust will strive to replicate our success of employing comprehensive preservation and business retention and recruitment plans to revitalize declining areas. These plans should bring new businesses, new jobs and new hope to our cities.

  These same streets and neighborhoods have witnessed the great success of the federal tax incentives program. The National Trust is on the scene helping people to learn how to use this invaluable tool for the preservation of old buildings.

- Facilitate public participation in preservation

  Our major publications, Historic Preservation and Preservation News, reach an estimated half a million people each month. New audiences are being reached each day through our growing list of publications including our new book, All About Old Buildings: The Whole Preservation Catalog. Together, our books and technical materials reached the hands of more than 74,000 readers in 1985.

  Where written materials are not sufficient, our staff of preservation experts, most located in our seven regional offices, handle thousands of public inquiries each year and, during just the past year, our regional office staff visited more than 500 communities, large and small.

  At the local level, our new Landmark and Historic District Consulting program is providing intensive advice on the drafting and revision of

> local preservation ordinances. At the state level, our State Historic Preservation Legislation project is compiling information on thousands of preservation laws to aid legislators in protecting and aiding their state's heritage. In October, we convened the first ever conference on state historic preservation legislation.

These ambitious programs are just examples of the current work of the National Trust. With federal financial support, the National Trust has grown to meet the needs of new constituencies seeking our leadership and unique services. Since 1966, our membership has grown from 10,000 to more than 175,000. Our budget has grown from $784,000 to more than $21 million.

Yet in recognition of the federal budget situation, we have consciously asked for and received a freeze in the level of our federal grant for the past four years. During this period of time, while total federal spending has increased by almost 25 percent, our unrestricted federal funding has declined approximately 7 percent.

## Expanding Private Support

The National Trust has expanded its activities and increased its budget to capitalize on preservation opportunities and to educate new constituencies. An increasing percentage of our budget to do this comes from sources other than the Historic Preservation Fund as shown in the attached graph. The percentage has increased from 62 percent in 1980 to an expected 80 percent in 1986.

To achieve this, we have significantly strengthened our private fund raising efforts. We have developed ambitious plans for fiscal year 1986, including a strengthened resources development staff and an increased focus on attracting significant corporate and foundation donations.

We also are appealing to our members to make unrestricted donations above and beyond their membership dues. Since 1982, member gifts increased by 560 percent from $375,000 to almost $2.5 million in 1985. We are developing new unrestricted revenue sources from the licensing of objects (e.g. furniture, wall paper, porcelain) from our own historic properties for reproduction and adaptation. We hope this licensing program alone will generate almost $1.5 million in revenues over the next 5 years while helping to educate the public about our historic houses and their furnishings. Half of all funds raised will be devoted to the conservation and enhancement of the collections at our historic properties. The other half will support other National Trust work through our general endowment.

## Fiscal Year 1987 Grant Assistance

Despite these advances, the federal matching grant remains essential to the National Trust. It represents 35 percent of our annual unrestricted funding, which is essential to maintaining operational support of all National Trust programs.

Although we are an organization which uses its money strategically and effectively, the loss of federal matching grant support would have widespread and catastrophic consequences for the Trust. You know this -- and apparently agree -- because you have rejected zero funding proposals for the Trust in each of the last four years. The loss of our entire federal appropriation, as is proposed in the Administration's fiscal year 1987 budget, is the equivalent of eliminating all our Regional Offices, closing our successful National Main Street Center and ending production of *Historic Preservation* magazine and our monthly newspaper *Preservation News*.

## Conclusion

The National Trust for Historic Preservation points with pride to our past accomplishments, our current programs and our plans for the future as well as to the work of our governmental partners in the national preservation program: the State Historic Preservation Offices, the National Park Service and the Advisory Council on Historic Preservation.

In this moment of stringency and limit, Mr. Chairman, it seems appropriate to ask again why it was that Congress, twenty years ago, created a national historic preservation program with the National Trust as an indispensable partner. In the 1966 National Historic Preservation Act, Congress declared that:

> ". . . the historical and cultural foundations of the nation should be preserved as a living part of our community life and development in order to give a sense of orientation to the American people."

For twenty years, Congress has not lost that vision. Because the budget situation is so critical, your colleagues look to you, Mr. Chairman, and to the members of this Committee for guidance as to whether funding the national historic preservation program should be reaffirmed as a small, but important, priority commitment. It is our view that the 20th anniversary of the National Historic Preservation Act is not the occasion to walk away from our national heritage.

## STATEMENT OF ERIC HERTFELDER, EXECUTIVE DIRECTOR, NATIONAL CONFERENCE OF STATE HISTORIC PRESERVATION OFFICERS

1987 Appropriations Request for the National Historic Preservation Fund:
$20.412 million for the States
4.384 million for the National Trust
TOTAL: $24.796 million

My name is Eric Hertfelder and I am Executive Director of the National Conference of State Historic Preservation Officers. Thank you for this opportunity to testify today on behalf of funding for the national historic preservation program in FY 1987.

Mr. Chairman, in considering funding levels for FY 1987, the Committee is now at the point of considering whether there will be a national historic preservation program as enacted and amended in 1966 and 1980.

Our request to your Committee today for the State component of the national program is $20.412 million, the amount appropriated last year. Unfortunately, if the automatic Gramm-Rudman-Hollings cuts go into effect, this amount will fall to $19.5 million for 1986, which will put the national program below where it was in 1975, eleven years ago, with no adjustment for inflation.

In addition, we have an absolute immediate crisis on our hands. The Administration's budget request for 1987 includes a rescission of 79% of the 1986 HPF appropriation, approved by Congress in December. The National Park Service is only now apportioning the remaining 21% of that December figure to the States, and is requiring full operation of the program on only 1/4 of the anticipated money. This situation is placing severe financial and program strains on the administrators of the national program, the States, who based upon the passage of the continuing resolutions last fall have been operating the program as normal, on a reimbursable, matching basis. Now, five months into the new fiscal year, we have a back door, retroactive attempt to de-authorize the program, for a 79% rescission cannot be characterized as anything else.

This year, because the 1986 budget has been re-opened so late in the game, it is very likely that many States will have no choice but to shut down elements of the national preservation program before the full legislative clock runs out on rescission, which may not be until May 1st. We are gathering information now on the impact of rescission on the States, and know of one State already which will begin suspension of program elements next week. More will surely follow, with a devastating effect on the national program as it enters its twentieth year. The States simply cannot fund the federal preservation program 100% on spec.

We urge the Committee to do whatever it can to accelerate the normally long legislative process to dispose of rescission as quickly as possible, so that the national preservation program is not lost simply because of the wait.

For FY 1987, the Administration is again requesting zero funding for the HPF, explaining "It is appropriate that the costs of State programs be borne by the States." Once again, the budget justification ignores the nature of the program and the legislation behind it.

THE HPF IS NOT A STATE GRANTS PROGRAM: IT IS INSTEAD THE MECHANISM FOR IMPLEMENTING THE FEDERAL HISTORIC PRESERVATION PROGRAM.

It is the State historic preservation offices which perform the tasks necessary to carry out the national historic preservation program. Although the means for funding the program is grants-in-aid, the federal government essentially contracts with State offices to carry out the functions of the National Historic Preservation Act in accordance with federal standards and procedures. Because it is a matching program, the federal government is the beneficiary of a system which pays for 50% of the current services with non-federal funds.

The national historic preservation program is small, and it is bare-bones given all the ground it is supposed to cover. For the sake of example, if the 1986 appropriation were divided equally among the fifty seven States, territories and the District of Columbia, each jurisdiction would receive a federal share of just $358,000.00. In return for this amount, the State office must, on demand, review all requests for certification for the rehabilitation tax incentives program; review all requests for comment and assistance from federal agencies planning projects in the State; develop comprehensive historic preservation plans tying together all levels of government and the general public; develop Certified Local Government programs and pass through 10% of the federal share to such governments; conduct surveys to identify historic resources; and nominate eligible properties to the National Register of Historic Places, among other functions.

These activities stem from responsibilities of the Secretary of the Interior and other federal agencies, and collectively they comprise the national program described in the Nat'l Historic Preservation Act. Although, in an excellent and very successful example of federalism, the Secretary has delegated many responsibilities to the State Historic Preservation Officers, in the end it is the Secretary alone who can enter a property on the National Register, certify a property for the rehabilitation tax incentives, and so forth.

Given the delegation of the program, and the system of State offices carrying out federal responsibilities, what does the federal government get for its $358,000.00 per State? In the most recent reports, the States in one year:

- added 385,000 sites to cultural resource inventories;
- nominated 66,000 properties to the National Register of Historic Places;
- reviewed 55,000 federal projects assisting federal agencies to meet their responsibilities under Section 106 of the Act;
- reviewed 5,000 applications for certifications for the historic rehabilitation tax incentives, a program which generated $2.2 billion in investment in historic commercial properties in 1985;
- responded to 126,000 requests for technical assistance concerning various elements of the federal program.

These are all activities that would return to the Secretary and other federal agencies to administer, in their entirety, if federal budget policies forced the States to withdraw from the federal program. It is impossible to imagine that the Department of the Interior could carry on the program as we know it today. Interior's own study, conducted in 1981 to assess the impact of terminating State participation, found that it would cost the government more than twice as much and require a tenfold increase in staff to carry out the mandated preservation responsibilities itself, as opposed to the current system. We know from the budget documents that the Nat'l Park Service has made no provisions to increase its current level of effort to compensate for the loss of State services.

NPS Director Mott, in a letter last year calling for attention to various issues in preparation for the twentieth anniversary of the Nat'l Historic Preservation Act, stated that preservationists must demonstrate that the HPF provides "services of primary value" to the federal government. This is a two part question, one philosophical and one nitty-gritty, which can be resoundingly answered in the affirmative. The philosophical part is whether the country is going to have a comprehensive and effective national historic preservation program. The current program is not duplicated anywhere else in the private or public sector and, given the nature of some of the responsibilities established in the Act, such as environmental review and certification for federal tax incentives, it is questionable whether it would be appropriate to release the program from federal standards and control, even if an entity could be found to perform the various functions without compensation. Since we know the Nat'l Park Service is not gearing up to make up for the loss of the State partnership, the rescission and the FY 1987 budget proposal is tantamount to dismantling the national program. The HPF, and the matching funds it attracts, therefore provides the federal government with a national preservation program.

The nitty-gritty aspect of the question re-inforces the broader issue. If the States are no longer providing services, how will 66,000 property owners manage to get their properties on the National Register each year? How will the managers of 55,000 federal projects meet their responsibilities under Section 106 of the Act? Will they pay to replace the expertise and planning assistance lost, or will they lessen their effort, thereby defeating the purposes of the Act? How will 5,000 owners and developers anxious to invest $2.2 billion be able to expeditiously obtain their certifications and the technical assistance needed to allow them to proceed with their rehabilitation projects? The Reagan administration has touted the tax incentives program as a model of private sector initiative which eliminates the need for federal programs such as the Historic Preservation Fund. This is incredible, since without the infrastructure provided by the State offices, the program would not be possible, except for developers who can wait a very long time for direct federal assistance and approval, and who are not bothered by uncertainty.

We must remember that the national program, working through the States and increasingly through local governments as they are brought into the program, is an infrastructure of interconnected elements. Without a basic survey effort, we will remain ignorant of the location and value of our historic resources; we certainly cannot nominate unknown properties to the National Register or seek to protect them; without an established national list such as the National Register, the federal government cannot contemplate programs such as the historic rehabilitation tax incentives, which have been phenomenally successful in both economic and cultural terms, spurring billions of re-investment in historic commercial structures, and catalyzing the revitalization of hundreds of downtowns and communities across the nation.

Are not these services of primary value to the nation, and do they not fulfill our national committment to have an historic preservation program? The State programs carried out or certified $60.00 in federal historic preservation program activities for each $1.00 from the Historic Preservation Fund in FY 1984. Is this not an admirable and efficient way to carry out a national purpose?

In closing, Mr. Chairman, I wish to reiterate our belief that the current levels of funding are threshhold levels with respect to the survival of a true national historic preservation program. We have reluctantly concurred with the recommendations of recent years to eliminate development grants, even though this has seriously impaired our ability to assist and preserve non-commercial historic properties. We have worked to maintain the basic program functions despite the cuts of the last five years, commencing with a 56% cut in FY 1981. We have already given up a great deal to the effort to reduce domestic expenditures, and we cannot assure you that all elements of the program will be maintained with further reductions. We will begin to see States unable to keep up with the demands on their services, and States dropping out of the federal program because it will no longer be feasible to fulfill the federal requirements in return for the funding offered.

As you know, Mr. Chairman, the States have been extremely strong supporters of the national historic preservation program, developing their own programs to meet federal standards, and committing resources beyond the minimum required to carry out the program. At the same time, we know from various oversight activities that the federal partners in the national program have not made the same committtment and progress as envisioned in the Nat'l Historic Preservation Act. Without the States, the federal government will be in no position to make up for the loss in terms of expertise and commitment to a truly national program.

Although our statement has concentrated on the States, we include in our request for FY 1987 and for quick action on the rescission proposal continued funding at current levels for the National Trust, which carries out preservation activities on a national scale in the private sector, not duplicating the capabilities of the other parties in the national program.

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## STATEMENT OF NELLIE L. LONGSWORTH, PRESIDENT, PRESERVATION ACTION

*1987 APPROPRIATIONS REQUEST FOR THE NATIONAL HISTORIC PRESERVATION FUND:*
*LEVEL '86 FUNDING FOR THE STATES AND NATIONAL TRUST*
*$20.42 million for the states*
*4.38 million for the National Trust*
*REJECTION OF THE REQUEST FOR FY 1986 FUNDS TOTALLING $19.5 MILLION FOR THE STATES AND NATIONAL TRUST*

On behalf of Preservation Action the national citizens lobby for historic preservation, I, Nellie L. Longsworth, President, submit the following testimony. Preservation Action is a membership organization and is supported by organizations, individuals, and corporations throughout the country concerned about the preservation of the built environment. We have a Board of Directors of 174 members, representing 42 states and most major cities. In 11 years of my involvement with these individuals and organizations, I can testify to their dedication to cost effective programming that will insure a spreading of responsibility between all levels of government, with the greatest share of the work being undertaken by private individuals and organizations. While there is strong philosophical support for this posture, there is also the reality that competition for the federal dollar has made this the best means of protecting our national heritage.

The President's 1987 Budget, submitted to the Congress earlier this month, was more ominous than others in recent memory. For the sixth straight year, we find the National Historic Preservation Fund "zeroed out", but this year, the Fund has become the victim of a rescission request for 79% of the 1986 funds to the states and National Trust which the Congress appropriated, and the President signed.

There is no longer any doubt that the Administration wants to do away with all but a token involvement in historic preservation. The "Budget writers" rationale for zero funding of the National Historic Preservation Fund - for six years - is that they want to eliminate "state grants programs" and want the states to pay for their own "state" preservation programs. Our efforts to inform them and educate them about our view - that the states ARE paying for their own preservation programs but should be reimbursed to carry out federally mandated activities - have fallen on deaf ears. And, whenever the President asks the Congress to grant him the authority to use the line-item veto for budgetary matters, I cringe knowing that for the Historic Preservation Fund, the battle to retain our partnership would be quickly ended, probably for the wrong reasons!

The historic preservation program has been successful because it was a model partnership from the very beginnning, bringing together the public and private sectors in a way that does not duplicate the delivery of services, is cost-effective, and produces leverage on every dollar appropriated. It is immediately endangered by the rescission request and is endangered in the long term by the termination of support from the federal partner.

## PARTNERSHIP CREATED BY THE HISTORIC PRESERVATION ACT BETWEEN FEDERAL GOVERNMENT, STATES, AND LOCAL GOVERNMENTS

The Historic Preservation Act envisioned that the protection of our historic resources should not be the responsibility of one level of government, or one segment of our population. Prior to 1966, historic buildings were toppling at a great rate, usually for the wrong reasons. The federal government was a perpetuator of demolition - through road building, urban renewal, and suburban development. The tax system also encouraged the demolition of older buildings.

The 1966 Act brought this under control. The National Register encouraged survey and planning for historic buildings, and the states and local governments became partners in the identification of significant historic structures and districts. Section 106 and the advent of the Advisory Council insured that federally funded projects should take into account the effect of the undertaking on historic structures and districts and produced a process to mitigate the adverse effect, when possible. Again, the states were an important partner in this compliance process, keeping federal staffing and paperwork to a minimum. The success of both the National Register program and the 106 procedures can be illustrated by the very small number of preservation problems that end up in litigation, the epitomy of unnecessary costs and delays.

The partnership between the National Park Service and states would not have happened without the foresight of the Congress both in the authorization of the Act and the appropriation of funds to carry it out. While the Fund has fluctuated in level, the partnership has adjusted. However, there will be a point where the partnership cannot survive and will break down into separate, unattached units. The federal government is the pivotal partner in preservation because it insures uniformity between state programs. The average of $350,000 invested by the Congress per preservation office is a sound investment, by any standard, with a resultant economy for the federal government itself.

## PARTNERSHIP BETWEEN HISTORIC PRESERVATION FUND AND THE REHABILITATION INVESTMENT TAX CREDITS

Another partnership that is notable is the one that brings together the National Historic Preservation Fund and the 25% historic rehabilitation investment tax credit, authorized in the Economic Recovery Tax Act of 1981. The credit has nullified some of the risk involved in revitalizing neglected abandoned neighborhoods and buildings by offering an "up-front" incentive that is important to both the developer and investor. The ensuing rehabilitation and preservation has changed the face of hundreds of cities - large and small - throughout the nation.

The coupling of tax incentive and expedited historic preservation certification requirements clearly demonstrates the leveraging effect. Since 1981:

- 10,358 projects have been "historically" rehabbed;
- $7.7 billion have been invested from private sources;
- 200,000 jobs have been created; and
- 57,926 housing units have been restored
  - 31,608 "new units"
  - 11,378 low and moderate income housing units.

One state estimates that for every dollar spent on rehabilitation, 88 cents is underwritten by private investment with 12 cents representing loss to the federal Treasury.

The historic character of buildings is protected because rehabilitation of certified historic structures must be certified in order to qualify for tax credits. In short, a developer cannot "do as he would like" when rehabbing a historic structure if he wants the credits, but must satisfy the the Secretary of Interior's Standards for Rehabilitation. The state historic preservation offices - in 57 locations - with their assistance to developers and architects, have made rehab a workable undertaking because they insure a timely certification process. In their absenCe, five regional offices of the National Park Service would bear the burden of the entire process and we know from past experience, even when states were participating in the process, tremendous backlogs can still develop. (Philadelphia Office: 1984)

Nothing will kill the success of the rehab tax incentive faster than a long cumbersome certification process that is fraught with delay and confusion. The state/NPS partnership approach works. The states' assistance is "process effective" and cost efficient and - it is a good federal investment at 50 cents on the matched dollar. I am personally curious as to whether there are any other programs in the federal government where the state expedites a federally mandated procedure and where reimbursement is not automatic.

## THE NATIONAL TRUST AND THE PRIVATE SECTOR

The Congress, again in its wisdom, chartered the National Trust for Historic Preservation to initiate preservation practices that would involve citizens in the program. Again, a partership has developed that reaches into city neighborhoods, rural communities, and the Main Streets of America. The Trust is the steward of many of our most important national treasures. The Regional Offices assist local citizens in gaining the tools to insure that local preservation programs are successful and that local governments recognize the importance of historic resources. Again, the leverage of federal dollars makes the investment in the National Trust an investment in our heritage.

## NEED FOR FY 1987 HISTORIC PRESERVATION FUND APPROPRIATION

Millions of Americans would agree that this is one of the best federal programs that exists, that is it an appropriate federal expenditure, and the partnership approach is a real plus for a deficit-conscious nation. The small appropriation for the Fund and the small revenue loss to the federal Treasury is far outweighed by the program's contribution to the economy.

## RESCISSION REQUEST

The most bitter pill of all is to successfully achieve an appropriation that is signed by the President, plan for its expenditure, and then have it blow up on February 6th "retroactive" to December 21, 1985. The uncertainty caused by the rescission request is creating hardship in both the states and National Trust. 45 more days of uncertainty about Congress' disposition of this request exascerbates the problems already created.

Small programs are the hardest hit by reductions because they have already been cut back to bare-bones budgets. With the loss of more funds, our partnership may dissolve and the good works of 20 years will be stymied.

## SUMMARY

The many organizations, corporations, and individuals who are concerned that the United States have a clear policy and program to protect our manmade resources are very grateful to the Congress and to the Appropriations Committees who have encouraged such for 20 years and have further provided the funds to make the program a success. The aesthetic desire to protect the best of our architectural, cultural, and historic resources is satisfied, but further, we have learned to value preservation in economic, social, and political terms. Improvement of cities and neighborhoods, advancement of tourism, creation of jobs, and generation of taxes are an outgrowth of the program that allowed grants in the mid 70's to demonstrate to our citizenry that the oldest, most dilapidated of structures and neighborhoods could be restored and adapted to a 20th century use. Some became museums because of their importance, while others provided a sense of pride about the design and craftsmanship of another generation as a part of today's streetscape.

The partnerships - federal/state/local governments/ National Trust/private sector - Department of Interior/Treasury - will continue to be successful if each component runs smoothly. The denial of rescission and the continuation of level funding for the states and National Trust will be a "vote of confidence" once again from the committees and Congress that the preservation partnership does work. A vote for funding will further send a message to the President that this is not funding to the states to operate a state preservation program or to a private organization to provide an operating budget. It is, in fact, a sound investment in a partnership that saves the federal government time, staff, and dollars at a time in history when every dollar counts.

## Statement of Dr. Bettye Collier-Thomas, Executive Director, Bethune Council House National Historic Site

Since its designation as a national historic site in 1982 the Bethune Council House National Historic Site has become the most important institution of its kind in the United States. This has been possible as a result of the unique public sector/private sector partnership under which the institution has operated for the past three years. Public funding through the U.S. Department of the Interior has supported the interpretation of the site as well as the preservation and maintenance of the fabric of the historic structure. Private sector funding has strengthened the institution's programmatic offerings permitting a broad-range of programs and services as well as paying for important development and support activities.

The maintenance of the Bethune Council House National Historic Site as a viable institution providing important services to a broad-based audience is dependent upon continuation of the public sector/private sector partnership. Public Law 99-187 which provides for continuing support for this site addresses this important need.

This law passed by the 99th Congress provides for $100,000 for interpretation, maintenance and the general operation of this site in FY 1987 and $300,000 in matching funds for restoration and special projects. These funds, which represent only part of the site's 1987 budget, is critical to its operations. It assures basic expenses for interpretation, maintenance and preservation and, of equal importance, the appropriation of these funds by congress is an indication of congressional recognition of the importance of this site to American citizens. This official recognition is critical to generating public sector support for the institution's programs and operations. The institution projects that as a result of federal support the public contribution will be more than matched by private support from memberships, sales and contribution's from foundations, corporations and individuals. Without this validation, private sector funds would be difficult to obtain. In this period of necessary fiscal conservatism, continued support for the Bethune Council House National Historic Site may be justified on several accounts:

- The Bethune Council House National Historic Site provides unique programs and services to a segment of American citizens largely underrepresented in the offerings of institutions interpreting American culture i.e., black Americans, particularly black women.
- Less than 1% of the 1986 budget of the U.S. National Park Service was directed toward the support of sites which interpret the lives of black Americans. This function, so critical to preservating our common past, building citizenship and strengthening the self-esteem of black adult youth is well deserving of public support.
- The one-of-a-kind archival and artifactual holdings of the site are of critical importance to understanding the history of all Americans, black and white; male and female. Congressional support of this institution assures the preservation of these records.
- Government investment in the interpretation and maintenance of this site is cost - effective having the possibility of generating potential support from a range of private sector sources.
- Mr. Chairman and distinguished members of Congress, American citizens across the United States join me in urging the Subcommittee on Interior Appropriations to include an appropriation of $100,000 in direct funds and one third of the appropriated matching funds-$100,000-in the FY 1987 budget of the U.S. National Park Service for the interpretation, preservation and general operation of this important site. The Museum-Archives has already raised $97,600 of its match and anticipates full completion of matching funds before the end of FY 1986.

## DESCRIPTION OF PROGRAMS AND SERVICES

The Bethune Council House National Historic Site is one of the most unique facilities to come within the purview of the National Park service. The mission of the Mary McLeod Bethune Council House National Historic Site is the documentation and interpretation of the history of black women in America and the interpretation of the life and history of Mary McLeod Bethune. At the specific direction of the site's namesake and founder, Mary McLeod Bethune, the institution has been conceived as both a repository for the documentary and material evidence of black women's participation in America's history, as well as a center for interpretive activities which inform the public at large of the lives and the achievements of black women. Pursuant to these functions, the institution offers a wide-range of interpretive programs and services which inform and enlighten a broad-based local and national audience. These programs and services include changing and traveling exhibits; lecture and concert series; research and reference guidance; seminars and symposia, as well as the publication of high quality educational materials. Of primary importance, the institution's archives contains the largest body of records related to black women, to be found in a repository in the United States. The archives includes a major collection of the papers of Mary McLeod Bethune; the records of diverse personalities and organizations, such as the National Association of Household Technicians, the National Association of Fashion and Accessory Designers and the National Council of Negro Women. Historians and other scholars have found the archives to be of inestimable value.

As a museum and archives focused primarily upon the interpretation of the life of Mary McLeod Bethune and the interpretation of the history of Afro-American women, the facility serves a diverse American public consisting of all races and reflecting different socio-economic backgrounds. While the Archives contains extensive original documents and photographs which attract a primarily scholarly audience, numerous benefits are available to the general public through the publication of articles and books utilized by teachers, students and the American public at all levels. During the last two years, several significant publications, widely read by the American public, have benefitted from the use of documentary sources which are only available at this site. The most noted examples of this are works published by the William Morrow Company and the Organization of American Historians. When and Where I Enter: A History of Black Women in America and works on the New Deal reflect the role of the "Black Cabinet" in which Mary McLeod Bethune was a participant. The impact of scholarship such as this can be felt at all levels as it infiltrates the print and broadcast media and has a significant impact upon the attitudes and thought of the general American Public. In addition to scholarly research, the archives facilitates reference and research requests for public school and college students, genealogists, organizations, teachers and history buffs.

The Museum, with its concert and lecture series, exhibitions and demonstrations, individual and group tours was visited by thousands of persons this year, representing the aged, handicapped, educated and uneducated, and many other categories reflective of America's diversity, Many individuals and groups were exposed to aspects of the institution's interpretive program. The programs and educational services of the Bethune Council House National Historic Site as well as its extensive archival collection are critical aspects of the interpretation of the site. Pursuant to the wish of Mary McLeod Bethune, the site functions as an active center for the interpretation of black women's history rather than as a static memorial or a house museum. Council House National Historic Site, differs from house museums such as the Clara Barton, Eugene O'Neil or Sewall Belmont Houses in that these sites contain original or replicated furnishings, artifacts and/or personal items maintained as silent testimonials to the contributions of the associated historic figure or organization. The Bethune Council House engages in an active program of educational and exhibition services, and also functions as a research facility which provides and creates information vital to the interpretation of the historical impact of the lives of black women in America. While interpreters at house museums often are simply required to memorize a scripted tour and to have a working knowledge of the basic facts surrounding the life of an historic personality, the interpretation of the Bethune Council House requires on-going research and development of new information to interpret key themes in black women's history.

The interpretive activities of the Bethune Council House are consistent with the definitions accepted by the American Association of Museums and the National Endowment for the Humanities. These interpretive activites are critical since they provide a means for stimulating visitor's understanding and appreciation of the historic property and the associated figure. Further, these definitions include allowance for staff and basic operations as parts of the over-all interpretive effort. Both the interpretive activities and the staff responsible for these activities are integral parts of the site interpretation, since both explain and make the historic property accessible to the visitor. Through the combination of public and private sector funds the impact of the Bethune Council House National Historic Site has been extended beyond the geographical boundaries which physically define the institution. Through its public relations and outreach programs, and dissemination of educational materials, wide publicity and the professional activities of its administrative staff, the site has gained influence and visibility. Its value to the American public cannot be overstated.

## SUMMARY OF 1986 PROGRAMS AND ACTIVITIES

FY 1986 has been characterized by a consolidation of institutional gains and the initiation of new program emphases. Underlying all activities are plans to strengthen the institution's financial base and enable it to implement new programs, increase staff and offer new services important to particular segments of its audience. At year's end, the institution anticipates growth in revenues, broader out-reach, increased programmatic offerings and stronger ties to local and national constituents.

The institution's financial status will be strengthened by the gradual implementation of a comprehensive plan for development at the direction of the Museum-Archives Board of Directors. A fund-raiser/Development Specialist will be hired to coordinate implementation of the institution's development plan.

The institution continues to provide scholars and researchers with extensive research and reference services. These services will be enhanced by increased staff, which will permit greater assistance. Goals for the institution's archival function will be the recruitment of additional archival assistance and the processing of currently-held records and papers, as well as obtaining new collections. Special emphasis will be placed on processing a recently bequeathed collection, the papers of noted lawyer and Espicopal priest, Pauli Murray. Minor repairs important to the safety of the institution's archival holdings will also be undertaken.

The institution's programmatic activities include the continuation of the lecture and concert series, opening two new exhibitions and expanding audience out-reach. The Museum-Archives lecture series has featured experts in the fields of women's history, black film, international relations, African Art and

Afro-American Art (see attached schedule.) The Bethune Concert Series has featured vocal, harp, and ensemble concerts (see attached schedule) by noted area performers. In view of the recent controversy over the black family, a special programmatic concern will be a symposium on the status of the black family. In May a panel discussion, "The Crisis in the Black Family" will convene specialists to examine this topic so important to developing an understanding of this problem.

To better accommodate the needs of the institution's youth constituents the Bethune Council House National Historic Site has initiated a children's program bringing students from selected area schools to the site. The Museum Educator is currently recruiting volunteers from community organizations to support this effort. By FY 1987 the institution will increase the number of schools serviced with the help of increased volunteer support. The Museum-Archives will also initiate a series of mid-week afternoon performances for senior citizens. This series will be targeted to senior citizens who are shut in during the dark winter months.

In June of 1986, the site will open a special exhibit presenting the works of Washington, D.C. black women artists. Black and white Washington women have contributed significantly to the development of the visual arts in this area and nationally. Their contributions have often gone unrecognized. This exhibit, partially supported by the D.C. Arts and Humanities Commission, will survey the contributions of black women artists from the 1920's to the present.

Out-reach through traveling exhibits and tours has been extensive. In addition to changing exhibits the institution offers traveling exhibits. The site's four traveling exhibits have been widely circulated to meet the ever-growing demand for exhibits which document the black experience. Currently exhibitions have been scheduled by the Archdiocese of New York, the Baltimore Lexington Market and the University of Vermont, among others.

The institution has experienced a steady growth in attendance. Tour groups from across the U.S. regularly visit the site. As a result of the institution's leadership in urging Goldline/Grayline to initiate a Black Heritage tour, this tour is now available to the public. Continued growth in group and individual tours is anticipated.

Distribution of educational materials has been an important aspect of the institution's outreach. The Museum has marketed its educational materials to educational institutions and organizations across the United States. Sold at low cost, these materials have provided the basis for introducing black history and black women's history into public school and college curricula. In the upcoming months the site will focus effort upon more effective marketing in order to broaden distribution.

During the upcoming year the institution must assess the condition of the fabric of the historic site and set priorities. While major restoration and renovation will be undertaken in 1987 with matching funds from the U.S. Department of the Interior, prior to that time the institution will have to make some repairs important to the facility's appearance and functioning. These items will include: repair of the bay balustrade; repainting of building facade; repair and repainting of the front stair and entry.

Volunteer support has been critical to the institution's survival and has complemented direct funds from public and private sources. The site has received volunteer services from a diverse group of talented individuals including students, scholars, performing artists, docents, and researchers. The volunteer services of the Board of Directors, a highly professional group, include legal counsel, fund-raising, long-range planning, marketing, and institutional development. Additionally, community organization's have donated time and money to the institution's operations. Student volunteers assist the institution in its day-to-day operations. Scholars, frequently lecture at the Museum-Archives at minimum or no-cost. Performing artists appear at the site for nominal fees enriching the Bethune Concert Series. A growing number of community organizations sponsor programs at the institution, acting as hostesses and supporting receptions. The genererosity of volunteers has been a mainstay of the institution. The service of volunteers and the guidance of the Board of Directors have been critical to institutional survival.

## PROJECTION OF 1987 PROGRAMS AND ACTIVITIES

During FY 1987 the Bethune Council House National Historic Site will continue strengthening programs and services as well as begin a program of much-needed repairs and restoration of the historic fabric of the site. The site will benefit from the continuation of partial federal support in conjunction with the professionalization of its fund-raising efforts. This combination will help solidify private sector support. Through concentrated effort the site anticipates increasing its income-producing activity. As a result of the passage of Public Law 99-187 the institution anticipates receipt of $100,000 in direct funds and $100,000 from the up to $300,000 allowable matching funds. The institution has already began raising funds for the matching dollars. The institution anticipates obtaining its total projected budget of $481,425 by means of a combination of federal support as well as from memberships, sales, rentals and contributions from private sector sources.

Programmatically, the institution will continue its focus on broader out-reach and increased services to special segments of its constituents, particularly children, and school-aged youth. Also of particular concern will be the acquisition and care of new archival records and the initiation of a vital program of restoration of the architectural elements of the historic site. The institution's committment to providing assistance to scholars and researchers will be supplemented by efforts to increase archival holdings. This will be made possible by a more aggressive acquisitions policy and increased out-reach to individuals and organizations through presentations emphasizing the importance of preserving the privately held-papers of black women and black women's organizations. In addition to seeking new materials, the institution will begin seeking support for a project to edit selected administrative papers of Mary McLeod Bethune. Successful completion of this project will require at least two years. The final edited publication will be an important research tool to scholars and general researchers and will enhance the institution's significance as a repository.

The institution's programmatic offerings will continue to be diverse and stimulating. The Bethune Lecture Series will remain the core of the institution's programmatic offerings. During 1987 the lecture series will feature specialists in women's history, sociology, American material culture, Afro-american art, political science, and community organizing. Presenters will include Dr. Bernice Johnson Reagon, Director of the Smithsonian Institution's Program in Black American Culture; Dr. Bettye Collier-Thomas, Director of the Bethune Museum-Archives; Charlene Drew Jarvis, City Councilwoman; and Guy C. McElroy, Curator, Bethune Museum-Archives. The Bethune Concert Series will feature a variety of fresh new talents. The series will feature concerts by artists specializing in a variety of musical forms including gospel, jazz, and classical music. Both instrumentalists and vocalists will appear. The institution will also present programs featuring other performing arts including: poetry readings, dramatic readings, and dance.

The basis for expanded children's programming began in the previous year will permit the institution to continue expansion in this area. Trained volunteers will supplement staff members. Children's programs will be available to all schools by appointment. Selected area schools will be the sites of focused programming. Selection will be based upon proximity and need. Children's programs will include art and poetry workshops, story-telling, and performance. By introducing teachers to new materials regarding black women the institution will up-grade public school instruction with regard to Afro-American history.

The site will continue to educate through its exhibitions. The exhibit "Washington Black Women Artists" will continue through the end of 1986. During February, Black History Month, the institution will open, "Black Women: The International Connection" an exhibit which will examine the efforts of black women to create working relationships with women of color overseas. The exhibit will utilize photographs, and rare documents to illuminate the individual and organizational activities of black women in the international arena from 1800 up to 1950. The scheduled lecture and panel discussion at the Museum-Archives during this period will amplify the international theme.

This exhibit will continue through June 1987 and will be followed by a one-person show of art works by a selected artist of national stature.

During this period the institution will sponsor a symposium on "Washington Black Women in the Visual Arts" and will host its third regional conference on black women's history. The panel "Washington Black Women in the Visual Arts" will convene area black women artists of national reputation to examine the role of black women in the visual arts and to review the problems and challenges confronted by these artists. The third regional conference on black women's history "Black Women: Documenting Our Legacy" will convene specialists from the Eastern seaboard to present scholarly papers indicating the newest devolopments in the research and interpretation of black women's history. Papers from this conference will be available to the public at minimal cost.

The institution's successful distribution of educational materials and the circulation of traveling exhibits will be maintained during this period. As a part of an overall marketing approach to publicizing its materials and to stimulate public awareness the institution will develop plans to reach an even wider audience for its educational materials and traveling exhibits. This will be done through targeted mailings and increased publicity. Groups targeted will include public school systems, universities and colleges, community organizations and cultural institutions. Educational materials currently in inventory will be reviewed and the most successful items reprinted. In addition to exhibit catalogues the institution will develop a new educational packet similar to the current eductional Kits: "Black Women in America: Contributors to Our Heritage" and "Black Women: Organized for Social Change 1800-1920" The topic for the new educational packet will be determined after an examination of marketing goals.

During 1987 the institution will increase its based of volunteer support. Currently the institution has volunteers in the following categories: students, researchers, scholars, performing artists, organizational leaders, professional-technical consultants. In the past year the institution has carefully cultivated relationships with a variety of support groups. Among these are: National Council of Negro Women (local and national sections); Coalition of 100 Black Women (local and national sections); Delta Sigma Theta Sorority; Theta Sigma Upsilon Sorority; Women of Saint Luke's Church; Institute for the Preservation and Study of African American Writing; Station to Station Writers Collective; Fredrick Douglass Historical Association; African American Women's Association National Black Network of Women and the United Food and Commercial Workers International Union, among others. These groups continue to provide vital support service.

During 1987 the institution anticipates broadening its volunteer training program in order to further supplement staff functions and enhance out-reach. Specific areas of concentration will be preparation for the positions of Docent/Tour Lecturer and Museum Education Instructor.

An area of special concern to the historic site is the care of the historic structure which is the basis of all interpretive programming. The institution has set priorities for site restoration which were identified in a document submitted to Congress in the House and Senate hearings which led to passage of

Public Law 99-187. Specific restoration projects to be undertaken in 1987 include the following items:

| | |
|---|---|
| Repair/Repaint Facade | 5,000 |
| Restore Front Walk and Stair | 65,000 |
| Repair Roof | 10,000 |
| Repaint Galleries | 5,500 |
| Temperature and Humidity Controls | 20,000 |
| | $100,000 |

## 1987 GENERAL OPERATING BUDGET

| | |
|---|---|
| Salaries and Fringe Benefits | $ 255,751 |
| Utilities Expense | 22,575 |
| Office and Administrative Expense | 35,039 |
| Development Expense | 14,000 |
| Building maintenance and Restoration Expense | 112,560 |
| Program Expense | 16,000 |
| Exhibitions Expense | 18,000 |
| Archives Expense | 5,000 |
| Travel | 2,500 |
| TOTAL | 481,425 |

## Bethune Program Series '85-'86

September 1985

Bethune Concert Series:

Marymal Holmes, Soprano opens the Bethune Concert Series

October 1985

Lecture:

"Afro-American Beauty Culture: Reflections on Self Esteem"
Bettye Collier-Thomas, Ph.D., Executive Director of the Bethune Museum-Archives, Inc.

"The Role of Black Women in Brazilian Colonial Plantations (1560-1889)"
Benjamin Nunez, Ph.D., author of *The Dictionary of Afro-Latin American Civilization*

## November 1985

Film and Lecture:

"Imitation of Life" (1934 classic melodrama starring Louis Beavers and Freddie Washington)
Anthony Gittens, Ph.D., Director of Black Film Institute of UDC

Bethune Concert Series:

Annette Poulard, Soprano, Sunday November 24, 1985, 2:00 pm

Poet's Reading and Book Party:

Featuring: Alexix DeVeaux, Former Poetry Editor of Essence Magazine co-sponsored by The Institution for the Peservation and Study of African American Writing

## December 1985

Children's Tree Trimming Festival

Bethune Concert Series: Sunday, Dec. 8, 3:00 PM

Victoria Payton, Harpist

## January 1986

Lecture:

"Feminine Images in Traditional African Arts"
Roslyn Walker, Curator National Museum of African Art

Bethune Concert Series:

"Amore Trio" with Celia Moulyn, Charlotte Moulyn and Russell Woolen

## February 1986

Bethune Concert Series: Sunday February 16, 1986

Percy Gregory, Pianist

Lecture: Thursday, February 6, 1986

"The Evolution of the Role of Afro-American Women in International Affairs"
Berschelle Challenor, Ph.D., Director of the Liaison Office of UNESCO

## March 1986

Beginning of the Bethune Children's Program

Bethune Children's Program begins with workshops and performances pertaining to the black culture for grades K-12. Reservations to come to the Museum must be made at least two weeks in advance. A limited audience of 35 is requested. Programs are the second and fourth Tuesdays of March, April, and May. A limited number of programs will be booked in area schools.

Bethune Concert Series:

Valerie Eichelberger (Kebembe), Mezzo- Soprano

### FY 1986 PRIVATE SECTOR CONTRIBUTIONS

### BETHUNE MUSEUM-ARCHIVES

### OCTOBER 1, 1985 - March 31, 1986

| | |
|---|---|
| D.C. Arts and Humanities Commission | $ 5,000 |
| Westinghouse Corporation | 200 |
| IBM | 400 |
| Blum Kovler Foundation | 1,500 |
| Exxon Corporation | 10,000 |
| Sterling Drug Inc. | 2,000 |
| Rockefeller Foundation | 50,000 |
| Archdiocese of N.Y. | 500 |
| Greyhound Corporation | 1,000 |
| Cary Ridder | 1,000 |
| Cafritz Foundation | 20,000 |
| Time Inc. | 2,000 |
| IBM Corporation | 4,000 |
| | $97,600 |

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## STATEMENT OF HELEN FENSKE, PRESIDENT, NATIONAL ASSOCIATION OF STATE OUTDOOR RECREATION LIAISON OFFICERS

Mr. Chairman and members of the Subcommittee, I very much appreciate this opportunity to testify before you concerning the Land and Water Conservation Fund. I am the Assistant Commissioner for Natural Resources with New Jersey's Department of Environmental Protection; however, I am here today in my capacity as President of the National Association of State Outdoor Recreation Liaison Officers. Our organization is an association of persons, like myself, who are designated by the Governors of our respective states, territories and the District of Columbia to be responsible for implementing the Land and Water Conservation Fund Act (L & WCF). Our program provides a unique state/federal partnership which has worked extremely well for nearly 20 years to provide a significant and essential system of park and recreation resources and services.

Mr. Chairman, we want to thank you and the members of this Committee for including $50 million for the state-side of the Land and Water Conservation Fund in last year's budget. These funds have been committed by the states to high priority parks and recreation projects. Unfortunately the Administration has requested a recision of $36 million of this amount despite the fact that state and local funds have also been committed. We appreciate this Committee's support in not approving this recision request and to allow these funds to be used this year within the states.

We are also requesting your support for a continuation of the state-side of the L & WCF for the FY 87 budget. Last year in urging your support for this program we recognized the difficult federal budget situation, but we also expressed our strong opinion that the budget deficits have not occurred because of this program nor because of the actions of this Appropriations Committee. In fact, the budget reduction from the stateside of the L & WCF from $258 million in 1981 to $48 million last year was made in the name of fiscal responsibility and budget deficit control. Clearly the deficit reduction problem is elsewhere and it would be ironic and tragic if the one intergovernmental recreation program - which is matched by the states - were eliminated while those budget and tax areas causing this shortfall continue to be the problem. We know everyone must cut back, but you, the members of this distinguished subcommittee and the Governors have cut back in this area and shown fiscal responsibility. There is a difference between budget restraint and philosophical opposition leading to elimination of this special use of offshore oil and gas monies. Your Committee has shown restraint. We appreicate your foresight and help.

The Land and Water Conservation Fund has been the most important and successful park and recreation program in this nation's history. It has been directly responsive to state and local needs and stimulated multiple contributions in state and local investment.

While members of this Committee and other members of Congress understand the impact of this program it is interesting to observe the President's Commission on Americans Outdoors as they better understand its accomplishments. It is clear that our outdoor recreation system would have been greatly diminished without this program. State officials and local citizens have testified and will continue to testify before the Commission making the following points:

- The passage in the summer of 1964 of the Land and Water Conservation Fund Act (Public Law 88-578) culminated an effort spanning the administrations of five Presidents that focused national policy and resources on outdoor recreation needs. This Act was a landmark in the nation's struggle to preserve, conserve and to creatively utilize its outdoor resources and to make a small reinvestment of the nation's receipts of offshore oil and gas monies for the permanent use of all citizens and future generations.

- The administration of the Land and Water Conservation Fund has become increasingly efficient with the States continuing to maintain high obligation rates indicating a strong demand for Fund assistance.

- The fifty percent matching requirement of the program assures, at least, a doubling of the investment from the Fund. In addition, this is one of the few Federal grant programs which is capital intensive and results in a strong job-oriented operational commitment to projects by State and local governments.

- The Land and Water Conservation Fund program has provided matching funds for over 29,000 individual projects involving land acquisition and recreational development, amounting to an investment of nearly $2.9 billion. It is a legacy to our children and grandchildren that is irreplaceable now.

- This program uniquely contributes to the public infrastructure of the nation's urban and rural areas through investments in perpetual resources; strengthens our country's social fabric through the provision of needed recreation opportunities; and, returns to local, state and national economies vast gains in employment, tax revenues and consumer expenditures generated by healthy recreation, travel and tourism industries.

- There is growing support to promote the recreation and tourism opportunities throughout the nation as a phase of economic development. We support this effort, but we wonder what there would be to market for visitors without the twenty-five years of L & WCF outdoor recreation efforts and what will be our recreation future if this type of program is eliminated from Federal support. We boast of this success, but the Administration apparently fails to understand that the future of quality outdoor recreation opportunity depends on continuing to build this legacy.

- Local and state park and recreation facilities greatly relieve the demand and use of the national parks. The state-side of the L & WCF encourages states and cities to provide recreation opportunities closer to home and more accessible to low-income and handicapped persons.

- It has been a catalyst to state and local entities encouraging the acquisition of significant parcels of land and the provision of public recreation resources and facilities with over $350 million worth of eligible projects remaining unfunded.

- Recent surveys by state economic development departments indicate that recreation opportunity is a major factor in site location. The L & WCF answers a broad and fair distribution of public outdoor recreation facilities as opposed to the concentration of private outdoor recreation facilities in higher income areas.

- The program represents an effective approach for providing recreation facilities close to the country's population centers as nearly three-quarters (75%) of the Fund assistance received by the states is passed through to local communities providing close-to-home recreational opportunities.

For the past few years the states' side of the Land and Water Conservation Fund program has been subject to numerous funding uncertainties, a recision, a deferral and a year's moratorium. The $48 million funding this past year, dictated by a responsive Congress, was a change in direction and, we hope, indicative of a new long-term commitment. However, we are now again faced with uncertain funding and an unsupportive federal agency. The budget presented to Congress by the President talks of a budget freeze and yet the Administration again shows no funding for the state side of the Land and Water Conservation Fund program despite the $48 million level provided for in the final FY 86 Federal Budget.

We believe that the findings and conclusions of the President's Commission on Americans Outdoors will strongly support the twenty-four years of accomplishments as well as the long-term need for the state side of the L & WCF. The states are working closely with the congressional members of the Commission and will continue to work closely through the next year. We urge you to maintain a sufficient level of funding for this program in order to enable us to continue the L & WCF program until the Commission can make recommendations to Congress on the future direction of the L & WCF concept. We are clearly in a point of transition and we urge the Committee to stick with us through the next fiscal year.

In summary, Mr. Chairman and members of the Subcommittee, the National Association of State Outdoor Recreation Liaison Officers urges you to 1) deny the Administration's request for a recision of the $36 million FY 86 funding and 2) to continue to support the funding of the states at a level of at least $50 million for the FY 87 budget.

Thank you Mr. Chairman for the opportunity of being able to testify before you today and for your unselfish and continued support for the program.

# U.S. GEOLOGICAL SURVEY

## STATEMENT OF THE AMERICAN SOCIETY OF CIVIL ENGINEERS

The American Society of Civil Engineers (ASCE) and the National Society of Professional Engineers (NSPE) oppose the FY 1987 funding cuts proposed for the water resources investigation functions of the U.S. Geological Survey. We believe these cuts would limit unwisely the nation's future ability to manage its precious water resources, and could, in the long run, cost the nation more through over-built or inadequate water facilities. In short these cuts are penny-wise and pound-foolish.

The cost of collecting water data is not great, but the impact of such data is immense and far-reaching. These data are critical to a wide range of problems, including flood control, navigation, acid rain mitigation, water pollution control, and ground water contamination. How can engineers devise optimum responses, and design the most cost-effective facilities, if they have incomplete and inadequate data on the ecological cycle? The cost of data collection, even at the $141.8 million available in FY 1986, pales when compared to the cost of facilities which will be based on inadequate data and to the potential loss of property and life that can occur if errors in design result from use of a faulty data base.

In FY 1987 the Administration proposes just under $125 million for water resource investigations. This is nearly a 12% cut from FY 1986 funding levels. In real dollars, it continues a multi-year decline in funding for water resource data collection. For example, a decade ago there were 17,000 streamflow measurement stations throughout this country; today there are only 12,000. And under the Administration's budget proposal this number will be even smaller in 1987. This trend must be stopped and should be reversed.

The U.S. Geological Survey has used cost sharing arrangements with non-federal agencies to stretch further the federal funds appropriated for water resource data collection. Whereas we believe complete federal funding is the best way to ensure continuity of data collection over multi-decade time periods, cost sharing is a feasible and attractive alternative to reduced data collection. But these efforts will be hampered, rather than expanded, if the Congress enacts the Administration's proposal to reduce to $50.4 million the funds USGS can use for cooperation with states and municipalities for water resource investigations. This represents a nearly $2 million cut from FY 1986.

The American Society of Civil Engineers and the National Society of Professional Engineers urge the Congress to maintain the FY 1986 funding levels of $141.8 million for the water resource investigations functions of USGS, and the $52.3 million FY 1986 funding level for cooperative investigation activities with non-federal agencies. Funding at these levels will stop the erosion in water resource data.

## AMERICAN SOCIETY OF CIVIL ENGINEERS

The American Society of Civil Engineers (ASCE), founded in 1852, is the oldest national engineering society in the United States. Membership, held by 105,000 individual professional engineers, is about equally divided among engineers in private practice; engineers working for federal, state or local governments; and those employed in research and academia. The Society's major goals are to develop engineers who will improve technology and apply it to further the objectives of society as a whole, to promote the dedication and technical capability of its members and to advance the professional and economic stature of civil engineers.

NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

The National Society of Professional Engineers (NSPE) is a professional society, representing more than 75,000 engineers of all disciplines nationwide. The members are organized into 54 state and territorial societies and 535 local chapters, and work in industry, education, private practice, construction, and government.

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## Statement of Professor William H. Funk, Member, Committee on Water Resources, National Association of State Universities and Land Grant Colleges

I am William H. Funk, Professor in Environmental Engineering at Washington State University. I am also the Director of the State of Washington Water Research Center. I offer testimony on behalf of the National Association of State Universities and Land Grant Colleges and Universities (NASULGC) an organization made up of 149 universities whose scientists, educators, engineers, and administrators are concerned about water resources research and education. This testimony is also offered by Professor James Warman of Auburn University, Professor in Civil Engineering and Director of the Auburn Water Resources Institute and immediate past chair of the National Association of Water Institute Directors. NAWID is another organization vitally concerned with aspects of water research, education, and institutes which are located in each state or territory. The University Council on Water Resources (UCOWR) is represented by its president, Dr. [illegible]. He is Director of the University of Texas Center for Research in Water Resources. UCOWR is an organization, at present, of 88 universities engaged in education, research, public service, and international activities in all aspects of water resources.

As a unified group we present our concern and support for water resources, research and education. At national conferences of these organizations, held this past year, as well as at meetings of other water-related professional and educational societies, there has been a common thread of increased concern and understanding of the need for research. There is an urgency to investigate, better understand, mitigate, or resolve the numerous water problems facing all governing bodies, whether local or national in scope. There is growing concern about the ability of governmental structures to provide safe and sufficient quantities of drinking water. Closely allied to these concerns is the recognition that there are serious infrastructure problems in the transport of water and wastewater. Droughts [illegible] large areas and populations in North America, but no longer can local or state government hope to [illegible] these problems. All [illegible] and groundwater is being [illegible] from aquifers underlying multi-state areas. Portions of these aquifers are also being contaminated at the same time. There is a need to better understand the relationship between ground and surface waters to properly protect and utilize both resources.

### *Interrelationships of Water Issues*

Researchers have pointed out the need for a more holistic understanding of water issues. Water nurtures and sustains life. It is the principal link between biological communities. Water transports nutrients, sediments, wastes, and fish as well as barges and ships, and provides for power production as well.

Research is needed to quantify water requirements for plants and animals. For example, the volume, quality, and timing of freshwater inflow is a major factor in forming and maintaining estuarine ecosystems. There is a need to correlate the biological communities with soil types, saturation, and hydrological cycles. The role of wetlands in trapping nutrients and contaminants is poorly understood at present. Quantitative studies are necessary to determine this role as well as to understand the effects of the toxic substances on the aquatic communities.

There is a need to treat aquatic systems as a continuum and to recognize the ecological and hydrological connections between riverine, wetland, and estuarine systems.

### *Improved Technology*

A shift must be made away from development alone to solve water problems. Construction should be minimized and efficiency maximized. Water conservation must be emphasized at all levels whether in the home, industrial plant, or farm.

Improvements in irrigation water delivery are being made to reduce losses by seepage and evaporation, but a better understanding is needed to determine plant response and the proper timing of delivery.

Better practical management procedures can be developed through advances in hydrology, data management, and analysis.

### *Better Linkage*

There is a growing understanding by universities of the need to provide information in areas where there has not been a response by a mission oriented agency to solve a water problem. University research can be a valuable aid in filling this niche.

There is now much closer coordination among universities to review research directions. Conferences, workshops, and other information dissemination procedures -- in addition to research as provided for in Public Law 98-242, Sections 104 and 105 and the U.S. Geological Survey's Water Resources Scientific Information Program (WRSIC) and data base -- aid in developing new solutions for ever more complex water problems as well as avoiding duplication of research efforts.

There are numerous calls for new directions in water research such as mechanisms for determining, at reasonable costs, accurate and relevant cost information on flood risk and better definition of flood hazards and development of nonstructural mitigation.

A different approach to solve or mitigate aquatic ecosystem problems by the understanding of species water needs. A need has been raised to develop better tools to predict incremental changes in the quantity and quality of water and as mentioned before to recognize the ecological and hydrological connections between riverine wetland and estuarine systems.

### *Contributions and Future Directions*

Congress displayed great and strong leadership in passage of the original Water Resources Research Act of 1964, Public Law 88-379. For the first time there was a national network of water institutes that could focus on national, regional, and state water problems. Because of this initial investment, state water institutes and cooperative universities could provide an objective, interdisciplinary, scientific overview of water problems. Universities provide an atmosphere of free inquiry insulated from most special interest groups and self-serving biases. In addition, the programs set in motion by 88-379 trained about 1,700 students in water related disciplines each year from 1965 to 1974. With the continuation of that program under Public Laws 93-404, 92-175, 95-467, and now 98-242 that number has dropped to 700 to 1,100 students each year. This decline is not due to lack of interest, but to attrition by inflation and reduction in funding. However, the program remains a major source of support for water resources manpower development. The water research projects build expertise and attract capable individuals into the field. There is a high retention rate of former students, once they enter water related professions. The program has made major contributions to alleviating concerns expressed by the National Academy of Sciences in the early sixties about the lack of hydro-scientists, inadequate research facilities, and the need to strengthen water sciences in colleges and universities.

This program also ushered in a framework for multi-disciplinary water research. These contributions are even more important today as water issues become ever more complex. Each year there is greater demands upon our water resources by increased human and animal populations; there are more exotic, and in some cases, toxic chemicals from new industrial processes entering watercourses. Also, we are now realizing that previous methods of containment may be inadequate.

In the case of toxic pollutants in water and groundwater, sophisticated instrumentation has pushed back the limits of detectability to sub parts per billion. The question now is: at what level and for what use does a certain level of consumer risk become acceptable. A monumental task lies ahead in addressing this issue. It will have to be done by a multi-disciplinary effort involving toxicologists, environmental engineers, environmental scientists, chemists, economists, planners, governmental agencies and the concerned public. Citizens must understand the environmental and health benefits of alternative approaches, as well as costs, so that the most logical, efficient, and cost effective methods can be selected.

It is recognized that funding decisions for water resource projects in the future will involve more public participation and that the federal government will play a lesser role in financing projects than in the past. For these reasons there will need to be a greater educational effort by all levels of government, with the university community playing a key role. In recent polls, questionnaires, and social response measuring devices, developed by researchers at Washington State University, have indicated that in such controversial areas as the location of high level nuclear waste and hazardous wastes repositories, the university research community has the highest level of believability among the general public in the State of Washington.

Recommendations

- An appropriation of $8.2 million dollars is recommended. This would allow $150,000 for each institute. That amount is to be matched on 1.5 to 1 basis of non-Federal to Federal dollars. This would allow a true state/Federal cooperative effort to address critical issues with non-Federal interests carrying a larger share of financing.

- A $800,000 appropriation to the U.S. Geological Survey to manage the institute program. This amount would allow for the continuation of the biannual evaluation of each of the institutes now underway, and aid the institutes in coordinating regional and national research priorities and information retrieval systems.

- It is respectfully recommended that $10 million be appropriated under Section 105. This competitive matching grant program is open to any qualified educational institution or private research group. The water research effort is directed towards issues that are in the national interest. Each Federal dollar must be matched by a non-Federal dollar. Proposals are competitively peer reviewed. In 1984 there were over 400 proposals requesting for $86.4 million dollars in Federal dollars. Only $3.7 million was available to fund successful proposals. In 1984 $36 million was requested by proposals, but only $2.5 could be awarded.

- Section 106 provides an opportunity not only for academic institutions but also the private sector to propose research into high priority areas such as demineralization, reuse of impaired waters, and desalination of brackish waters. It is recommended that 5 million dollars be provided to activate Section 106 and begin research to separate water from contaminants.

*Summary of Improvements in the Program*

Passage of the Water Resources Research Act of 1984, Public Law 98-242 provided for a formal, vigorous, and regular evaluation of each Institute reestablished by Section 104 of the act. This action was taken to insure high quality research that is relevant. The procedure accomplishes much the same purpose as program review and accreditation does in most university departments and colleges. Fourteen Institutes have been evaluated to date. Weaknesses are being detected and corrected, excellence is being commended. A valuable interchange is also occurring between the parent Federal Agency, the U.S. Geological Survey, the Institutes being evaluated and the non-Institute universities being involved in the evaluation process.

The required dollar for dollar match and ultimately two for one match under Section 104 has provided a true Federal state cooperative effort to address critical water issues, with non-Federal elements carrying an increasingly large share. There is some concern that the two-for-one match may cause some smaller Institutes to cease to exist, thereby losing their regional input. There is a strong feeling among Institutes, although by no means unanimous, that the match be made at no more than one for one state-Federal match.

There has been a steady strengthening of regional research concepts in the Section 104 program. The eight regional groups of Institutes meet regularly to jointly review research priorities, program requests, and individual five year research plans. Five-year regional research plans are also being developed. Duplication has been virtually eliminated. As Institutes and participating universities develop computer information retrieval systems that can tie into the U.S. Geological Survey data base, as well as to each other, a nationwide clearinghouse of water information will be in existence. The Water Resources Scientific Information Program (WRSIC) as managed by the U.S. Geological Survey has been of immense help to investigators reviewing water research information and data.

A brief resume of some examples of successful Water programs is included [illegible] [illegible] [illegible].

# BUREAU OF MINES

STATEMENT OF DR. DON L. WARNER, DEAN, SCHOOL OF MINES AND METALLURGY, UNIVERSITY OF MISSOURI-ROLLA

This testimony is offered for the record in support of appropriations for the State Mining and Mineral Resources Research Institute Program as reauthorized, in 1984, through P.L. 98-409.

We believe that Congress was farsighted in reauthorizing the Mineral Institute Program. This program remains, today, as the only significant federally supported effort in university training and research in mineral technology. At a time of continuing decline in the domestic minerals industry, it is believed to be important to sustain and enhance university training and research to provide the manpower and technology to assist in revitalizing that important sector of the Nation's economy.

P.L. 98-409 authorizes an appropriation of $28,400,000 for the Mineral Institute Program for FY 1987. We believe that this amount could be used by the Mineral Institutes in a way that would significantly benefit the Nation. However, recognizing the realities of budgetary constraints and the Federal deficit, we respectfully recommend a minimum appropriation of $13,700,000. Of that total, we would recommend $6,200,00 for allotment grants to the institutes and $7,500,000 for research grants. The $6,200,000, appropriation request for the mineral institute allotment grants is an investment opportunity in that it would result in an additional $12,400,000 appropriation in non-Federal dollars.

The Mineral Institute Program

The Mineral Institute program is operated through 31 state institutes. The program has two nearly equal efforts -- 1) institutional or allotment grant support and 2) designated generic research programs.

The allotment grant portion of the program provides an equal amount of basic and flexible support to each of the 31 institutes. The institutes use these funds to conduct state determined research programs and to provide student support. For FY 1987 it is required that each Federal dollar expended for allotment grants be matched by no less than two non-Federal dollars. Thus, a Federal appropriation of $6,200,000 for allotment grants would result in a minimum of an additional $12,400,000 in non-Federal funding for the mineral institutes.

Research funds are currently used for support of five generic mineral technology centers which are located at these Mineral Institutes. Each center has a lead university (two in one case) with three to six additional institutes working as research affiliates. Thus the system is fully interactive and cooperative in organization and operation. The generic research areas, the generic center locations and the center affiliates are:

| GENERIC AREA | CENTER | AFFILIATES |
|---|---|---|
| Mine Systems Design and Ground Control | Virginia Polytechnic Institute & State Univ. | University of Alabama<br>University of Alaska - Fairbanks<br>University of Idaho<br>University of Kentucky<br>University of Nevada - Reno<br>Southern Illinois Univ. |
| Comminution | University of Utah | University of Minnesota<br>University of California - Berkeley<br>Colorado School of Mines<br>Michigan Technological Univ.<br>New Mexico Institute of Mining and Tech.<br>Pennsylvania State Univ. |

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| Mineral Industry Waste Treatment and Recovery | University of Nevada - Reno | University of Idaho<br>Montana College of Mineral Science & Technology<br>University of Nevada - Reno<br>New Mexico Institute of Mining and Technology<br>South Dakota School of Mines |
| Pyrometallurgy | University of MO-Rolla | Purdue University<br>Ohio State University<br>Massachusetts Inst. of Technology<br>University of Utah |
| Respirable Dust | Pennsylvania State University<br>West Virginia University | University of Minnesota<br>Massachusetts Inst. of Technology |

Program Achievements

A five year record of achievements of the Mineral Institutes program was assembled in 1988 to provide evidence for the reauthorization hearings and was submitted as an appendix to testimony before this committee in 1988. Companion testimony to ours will be provided by the National Association of Mineral Institute Directors. The testimony that group will focus on recent program achievements.

Critical Need for the Mineral Institute Programs

In 1988, U.S. imports of fuel and nonfuel minerals produced a trade deficit of over $30 billion. Further, the U.S. currently depends upon imports to supply much of its needs for a number of strategic and critical minerals. This situation continues to worsen as many once-important mineral producing companies close their mines, mills and smelters because of an inability to compete with low-cost foreign production. In addition to the closure of production operations, many mineral industry companies have been forced to severely limit or discontinue research. Several major corporate mineral research centers were closed during the past year.

In addition to the decline in corporate mineral research, the Federal involvement in this area has contracted to the point that research conducted under the State Mineral Institute Program is the only broad-based mineral research support available today to universities.

We believe that the circumstances described above provide not only the justification but the urgent need to maintain and expand the Mineral Institute Program. Many knowledgeable engineers and scientists believe that major improvements in mining and extractive metallurgy technology provide the only means of revitalizing the domestic minerals industry. Such improvements must come through research such as that being performed in the 31 mineral institutes and must be implemented by the engineers and scientists.

## Recommendations of the Report of the Advisory Committee on Mining and Mineral Resources Research

P.L. 98-409 established the requirement for and composition of an Advisory Committee on Mining and Mineral Resources Research. That act also specified that the committee would "develop a national plan for research in mining and mineral resources, considering ongoing efforts in the universities, the Federal Government, and the private sector, and shall formulate and recommend a program to implement the plan utilizing resources provided for under this Act". That report entitled "Improving Research and Education in Mineral Science and Technology Through Government (Federal, State, and Local), Industry, and University Cooperation" was issued, as required by March 1, 1986. The report provides background information on the current status of the U.S. minerals industry and develops the concept of and need for the Mining and

Mineral Resources Research Institute Program. One specific recommendation of the report states that:

> "This Committee recognizes the commitment of this Administration to control spending and to regain fiscal integrity. At the same time it believes that there is room in any budget to provide for the concentration of Federal resources for essential programs. The Mining and Mineral Resources Research Institute Program, as authorized under Title III of Public Law 95-87, including the General Mineral Technology Centers, is considered to be an essential program."

Thus, that advisory committee, after due deliberation endorsed the critical need for the mineral institute program and recommended its continuation despite Federal budgetary limitations.

The Mineral Resources Committee of the National Association of Universities and Land-Grant Colleges would like to express its appreciation for the opportunity to offer testimony to testify before this subcommittee.

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## Statement of Josiah Moore, Chairman, Tohono O'Odham Nation

The Tohono O'odham Nation (Papago Tribe) urges the subcommittee to increase fiscal year 1987 funding for the Bureau of Mines by $1,000,000 over the amount requested in the President's budget and to earmark this amount for research and demonstration in in-situ copper leaching. In the event the subcommittee decides against an increase, we ask that a portion of the funds requested by the President be set aside for this purpose.

We suggest that criteria for site selection give appropriate weight to:

(1) lowest Federal cost;
(2) cost-sharing by private industry;
(3) least time to completion; and
(4) environmental considerations.

Our interest in Federal funding for in-situ copper leaching arises from the fact that the Lakeshore mine is located on the Sells Reservation.

The Tohono O'odham Nation vigorously opposes any report language that would have the effect of requiring the Bureau of Mines to select a site that favors a single mining company to the overall detriment of the American copper industry and the Lakeshore mine. We believe that the private sector should compete for Bureau of Mines site selection on the merits. The Lakeshore mine is in a strong competitive position. We also recognize that no single site may possess all of the characteristics necessary for appropriate research and demonstration. Accordingly, we support report language that would permit the Bureau of Mines to select more than one research and demonstration site.

Fiscal year funding of $1,000,000 for in-situ copper leaching research and demonstration was provided as an add-on to the President's budget submission for FY 1986. Additional Federal funds are needed if the work begun in FY 1986 is to result in tangible benefits for the distressed American copper industry.

Noranda Lakeshore Mines, Inc. has been conducting an in-situ copper leaching demonstration at the Lakeshore mine since [illegible]. To underwrite the cost of the demonstration, the Tohono O'odham Nation agreed to accept reduced royalties from [illegible]. Our contributions to the effort from [illegible] through 1986 will total more than [illegible].

Royalties from the mine are the main source of tribal income and are used to pay for essential tribal governmental services. Royalty payments for the period [illegible] were [illegible] a year. Current payments are only $900,000. The reduced royalties represent our commitment to extending the life of the mine.

Closure of the Lakeshore mine will likely occur in two or three years, unless the economic feasibility of in-situ leaching of copper from solid rock can be demonstrated. At present, the mine is leaching copper from broken rock which is left over from NLM's conventional underground mining operations. Conventional operations ceased in 1985, owing to foreign competition. The broken rock will be exhausted in two or three years. If the economic feasibility of in-situ leaching from solid rock can be demonstrated during this time, the life of the mine will be extended 10-30 years.

In addition to their own contributions, the Tohono O'odham Nation and Noranda Lakeshore Mine estimate the need for $1,500,000 in Federal funding. With part of the FY 1986 funding and additional Federal funds in 1987, the research and demonstration could be completed in 19 months. Completion of the Lakeshore research does not exhaust the need for Federal research funds, since no single site will yield the information needed by the Bureau of Mines to fulfill its stated mission to "improve domestic mineral recovery from coal, metal, and non-metal mines." Nor will entire reliance on private-sector funding enable the Bureau to fulfill its mission since privately funded research is proprietary.

The Tohono O'odham Nation does not condition its support for increased funding on the selection of its Lakeshore mine as a Federal research and demonstration site. We support Federal funding that will, on a least-cost and least-time basis, benefit the industry and, thus, benefit our mine.

Your consideration of our request is deeply appreciated.

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## STATEMENT OF [illegible] T. [illegible], VICE PRESIDENT, WASHINGTON AFFAIRS, ST. JOE MINERALS CORP.

We are submitting this statement for your consideration in connection with hearings on the FY 1987 Bureau of Mines Appropriations and ask that it be included in the Record of those hearings.

St. Joe Minerals Corporation is a diversified natural resources company. St. Joe, the nation's largest integrated lead and zinc producer, is also a large producer of coal and iron ore in the U.S. and has major international metals operations, primarily in South America. In 1981, St. Joe was acquired by the Fluor Corporation.

Through St. Joe's Technical Center, located in Monaca, PA, the company has been conducting research since 1971 on a unique, carbon-fueled flash-smelting system, known as the Flame Reactor. This research led to the construction in 1983 of a $1.7 million facility at Monaca to begin testing the technology. Although initial interest in the Flame Reactor focused on its potential as a lower cost replacement for St. Joe's electrothermic zinc smelter at Monaca, it soon became apparent that it could be suitable for a wide variety of applications, including coal gasification, recovery of nonferrous metals from steelmaking electric furnace dust and drosses and treatment of various listed hazardous wastes.

The Department of Interior's Bureau of Mines has a long-standing interest in applying and improving recovery process development in connection with its overall minerals and materials research program. Their interest in funding research for development of a carbon-based smelting process for waste treatment and strategic metals recovery was the basis for the formulation of a cooperative program with St.

Joe for further development of the Flame Reactor technology for which Congress appropriated $700,000 in FY 1986.

This cooperative venture with the Bureau of Mines anticipates a three-year program with $1.2 million in federal appropriations being sought in FY 1987 and an estimated $1.6 million needed in FY 1988. These amounts are in addition to the St. Joe funds being committed to the Flame Reactor technology, which are significant, albeit less than prior years' spending as a result of severely depressed economic conditions in St. Joe's core business.

St. Joe is also aggressively marketing this technology in the private sector, but to date the Flame Reactor is viewed as high risk and untested under continuous, real-life operating conditions. Federal funding is, therefore, essential to determine the full potential of the technology in a timely manner.

This program can be especially important and beneficial to the domestic steel industry because a near-term commercial application of the Flame Reactor, and the major focus of the FY 1986 program with the Bureau of Mines, involves treatment of electric arc furnace dust (EAF)--an EPA listed hazardous waste generated by steelmakers. Facing a 1988 ban on land disposal of EAF dust, the steel industry is actively seeking cost-effective disposal alternatives. If successful, St. Joe believes that the Flame Reactor would be among the lowest cost hazardous waste treatment options, generating a saleable crude zinc oxide product and a nonhazardous, potentially saleable slag, thus completely solving the EAF dust disposal problem while recovering metal values from an otherwise useless material. In addition, by putting compact Flame Reactor plants at the steel site, no EAF dust transportation or environmental permitting would be necessary.

The results of the FY 1986 work with the Bureau of Mines will lay the groundwork for future studies on the treatment of other waste materials identified by the Bureau for the recovery of critical and strategic materials. A brief description of the Flame Reactor process, the EAF dust problem and the tentative scope of work for fiscal years 1986-88 are presented below.

PROCESS DEVELOPMENT HISTORY

St. Joe began investigating carbon-fueled flash-smelting in 1975 as a low-energy replacement for the electrothermic zinc production process currently operated at Monaca, PA. Construction and operation of a pilot plant unit in Palmerton, PA, in 1978 initially focused on smelting roasted zinc concentrates. The applications for this flash-smelting unit were expanded in 1980 to include a number of zinc and lead bearing metallurgical wastes, and pilot testing on [illegible] tons per year Flame Reactor in 1981 was extremely successful.

In 1983, St. Joe constructed a $1.7 million Demonstration Facility at Monaca which has been operating since May 1984 and has logged over 1,000 hours, processing over 1,000 tons of [illegible]. In 1985, St. Joe demonstrated the Flame Reactor as a commercially viable treatment process for [illegible] to produce a [illegible]. Recent work has included preliminary tests on [illegible].

## THE EAF DUST PROBLEM

EAF dust is an extremely fine particulate fume removed from the electric arc furnace and collected in a baghouse. The dust has traditionally been pelletized with water and stockpiled or buried as a waste on the steel plant site.

Pursuant to EPA hazardous waste (RCRA) regulations, EAF dust has been listed as a hazardous waste. Land disposal/treatment costs are now $50 to $150/ton of dust and are rising. RCRA regulations for disposal of EAF dust in double-lined, monitored facilities will significantly increase these costs, and additionally require long-term steel company liability for the disposal site.

About 500,000 tons per year of dust are produced in the U.S. at an average of 19 percent zinc, giving a potential resource of about 100,000 tons per year of zinc. If successful, the Flame Reactor would not only resolve a hazardous waste disposal problem for the steel industry but would also provide a significant, new domestic zinc resource.

## SCOPE OF WORK

FY 1986 work will involve a five-task program for treatment of EAF dust. Plant trials, continuous operating test runs and engineering studies will result in improved process design, energy utilization and performance. Further, the Bureau of Mines will conduct a survey of other wastes containing strategic and valuable metals for which Flame Reactor treatment appears appropriate.

FY 1987 work will build on the FY 1986 program and would tentatively include tests on the Bureau-identified wastes as well as evaluation and Flame Reactor design unit changes to improve performance and lower costs. If successful, FY 1988 work would likely include installation and testing of the new unit operations to improve metal recovery capabilities and to further define process performance on other strategic metal-containing wastes.

# OFFICE OF SURFACE MINING

## STATEMENT OF DR. FREDERICK A. BRUNNER, DIRECTOR, MISSOURI DEPARTMENT OF NATURAL RESOURCES

As Director of the Missouri Department of Natural Resources I appreciate this opportunity to present testimony in regard to the Fiscal 1987 budget proposal recently submitted by the U.S. Department of the Interior - Office of Surface Mining Reclamation and Enforcement (OSMRE).

The State of Missouri believes strongly in the goals setforth under Title IV of Public Law 95-87 and remains firmly committed in our continued effort to cooperate with OSMRE in the fulfillment of the objectives of the Surface Mining Control and Reclamation Act of 1977 (SMCRA). However, you should be made aware of recent policy decisions and other developments that will severely impact our Abandoned Mine Land Program (AML) and our ability to accomplish those objectives; perhaps to the extent that our program may no longer continue to exist. Our concern over these recent developments is shared by many other State AML Programs throughout the Nation, but most particularly by those States in the mid-western region. Though there are a number of problems that should be addressed, our primary concern is focused upon the following issues:

Apportionment of the Secretary's Discretionary Funds - Based Upon Historical Coal Production and Inventoried AML Problem Sites.

Historical Coal Production lacks creditability as a variable for apportionment insofar as it bears no direct relationship to either the number or types of problems which are actually encountered in the field. This can be illustrated by the simple comparison of two mining operations which extracted equal volumes of coal, one from a thick coal seam, the other from a thin seam. The company which mined the thin seam affected a much greater surface acreage than that which mined the thick seam, thus causing greater impacts upon the land. Historic coal production also fails to recognize the significant variations in AML impacts which exist between surface and underground mines. Considering these facts, the use of historic coal production as an allocation device is questionable in terms of satisfying the requirements for allocations and expenditures as defined under Sections 402 and 403 of SMCRA. Equally important is that the established apportionment formula fails to take into consideration the actual funding needs of individual AML Programs on a national basis, which is also a requirement ill-defined under Section 402.

A State Program's need for discretionary funding is dynamic in nature due to shifting demographics of increasing or decreasing State Share Funding. For instance, Missouri is a State with a multitude of verified hazardous AML problems, yet we are experiencing a rapid decline in coal production due to the unfavorable market conditions for our high sulfur, high ash coal. As a result there is a corresponding decline in our State Share funding and a dire need for increased discretionary funds in order to cope with the existing hazardous conditions of past mining practices. Failure to consider these changing needs and the establishment of a maximum limit of discretionary funds for any given program as proposed by OSMRE can only result in the inefficient and ineffective use of the funds and, as such, is an issue which causes us great concern. The Secretary must be held accountable for the most effective use of the limited funds and this can only be accomplished under a system which allows for the assessment of actual funding requirements and the ability to redirect the funds accordingly.

Given the obvious concerns and limitations of the apportionment formula, we are requesting your consideration of the establishment of a minimum base budget of $[illegible],000,000 in discretionary funds for those states which meet the following criteria: (1) have an Accepted AML Program; (2) have verified high priority AML problems; and, (3) have an ability to obligate the funds in a timely manner consistent with the established grant process. The above criteria would be assessed on an annual basis through the oversight process and those States failing to meet the criteria would be denied the guaranteed minimum by means of the grant application process.

This proposal represents a 'common sense' approach to the complex issue of the allocation of discretionary funds insofar as it will require the Secretary to give at least minimal consideration to the allocation requirements as setforth in the Act. It will also allow him the flexibility to assess actual needs and accomplishments on a continuing basis and, if necessary, redirect funds by increasing the budget limit without regard to a maximum ceiling established by the apportionment formula. As a result, those States which prove themselves to be effective and efficient administrators of the fund will be rewarded accordingly.

In addition, a guaranteed base budget of discretionary funding will greatly enhance the ability of the smaller programs to establish reasonable long-term management plans which are essential to the administration of any organization or agency. This is particularly important for States such as Missouri with declining coal production and unpredictable annual State Share funding. The minimum base budget concept has the support of many of the coal producing states throughout the nation as is evidenced by the many letters of support that Missouri has received from other state AML programs. However, there remains a great deal of conflict between OSMRE and the States in regard to the established formula; therefore, we strongly recommend that the minimum base be established separately and in addition to the formula or any revised apportionment methodology which may come about due to this continuing conflict.

Increased Appropriations for State Reclamation Program Grants

OSMRE has proposed reductions in appropriations for State Reclamation Program Grants in Fiscal Year 1987. It is understood that OSMRE has requested these reductions based upon their belief that the States are not obligating their allocated funds in a timely manner. Though I do not wish to indicate an intentional misrepresentation of the facts, it must be noted that the Quarterly Obligation Reports submitted by OSMRE are extremely misleading to those who are not totally familiar with the AML Grant process. Under this process, the States must accomplish all field investigations, site mapping, design development, bid awards and construction activities within the allowed three year Construction Grant period. Dependent upon both the size and complexity of the project, the initial investigations and design development are time consuming and often can require twelve to eighteen months to finalize into a construction package.

Though essential and time consuming, the costs associated with these initial activities are relatively minor compared to the actual cost of construction which is included in the grant allocation. Therein lies the problem in that even though the total amount of the project funds are allocated at the initiation of the grant period, the vast majority of the funds are not reported as obligated until the award of a construction contract, which normally occurs during the latter part of the second year of the Construction Grant. This leaves the impression that the States are 'dragging their feet' when in fact they are proceeding on schedule and in accordance with the requirements of the grant. The reports become even more misleading when a State is managing two or three grants concurrently which indicates an even higher rate of unobligated funds on a quarterly basis. A thorough review of our records indicates that the Missouri Land Reclamation Program is obligating the allocated funds in a timely manner which is acceptable, reasonable, and in accordance with the restrictions of the Construction Grant process. We believe that a close review of other states' programs would demonstrate similar results.

I believe it is also essential for you to keep in mind that the funding provided for these grants is derived from an established AML Trust Fund which is neither part of or linked to general revenues. These dollars are sorely needed for reclaiming abandoned mine lands which create public health, safety and environmental problems and are also needed for economic enhancement in regions currently experiencing the economic ramifications of a declining coal industry.

Again, I appreciate the opportunity to present this written testimony on the behalf of the State of Missouri and it is my sincere hope that you will use your influence to direct the Secretary to adopt the minimum base budget of $1,000,000 and to reconsider his current apportionment formula and requests for reductions in annual appropriations. Without your assistance, the State of Missouri will most certainly be unable to fulfill its obligation to protect our citizens and our natural resources from the devastating impacts of past mining practices as was clearly intended by passage of Public Law 95-87.

## Statement of the Tennessee Surface Mining Committee

Tennessee has approximately 46,157 acres of abandoned coal surface mined land located in 18 counties. It is estimated that approximately 180 million dollars are needed to reclaim these sites. Soil erosion from this acreage exceeds five million tons annually creating water quality problems and deterioration of the State's natural resources.

The Surface Mining Control and Reclamation Act of 1977, Public Law 95-87 established an Abandoned Mine Reclamation Fund for reclaiming AML lands. This fund is derived from an assessment of 35 cents per ton of coal produced by surface mining and 15 cents from underground mining. Up to 20 percent of this fund could be appropriated to the USDA - Soil Conservation Service for implementing the Rural Abandoned Mine Program (RAMP). Since the program was authorized, SCS has received an average of less than 5 percent of the maximum 20 percent that could be authorized for RAMP. It is estimated that nationally, over 200 million dollars of unused RAMP funds have not been appropriated to the Soil Conservation Service. Thru Fiscal Year 1984, the State of Tennessee has carried out 22 RAMP contracts on 134 acres totalling an expenditure of $634,294.00. As of the end of Fiscal Year 1984, 50 applications totalling 763 acres were unfunded in Tennessee.

On August 12, 1985, officials representing the Soil Conservation Service, the Office of Surface Mining, and the Tennessee Division of Land Reclamation discussed the status of coal mine reclamation in Tennessee. Staff members representing Congressman Jim Cooper and Congresswoman Marilyn Lloyd were also present. It was decided to elect a steering committee and develop an operating policy. At that time, a representative was elected from each RC&D area present. Our immediate goal was to call attention to the reclamation needs of Tennessee.

On September 10, the steering committee met and adopted an operating policy, and recommended that Mr. L.R. Burnett meet with the RC&D directors and request that the Tennessee Surface Mining Committee be appointed a full resource committee under the direction of RC&D. Mr. Burnett was elected by members present to chair this committee.

### FACT SHEET - PUBLIC LAW 95-87, TITLE IV
### THE RURAL ABANDONED MINE PROGRAM

INTRODUCTION

RAMP is one of four programs authorized by Title IV of Public Law 95-87 (Surface Mining Control and Reclamation Act of 1977) to reclaim abandoned coal mined lands. Administered by the USDA, Soil Conservation Service.

PURPOSES

A. Using the existing SCS assistance delivery system, help landowners to individually develop reclamation plans and apply conservation treatment for the reclamation, conservation and development of coal mined land and water.

B. Provide cost sharing to landowners for establishing conservation treatment through long-term contracts according to the reclamation plan. Contracts are between SCS and landowners. Term of contract is 5-10 years.

## OBJECTIVES

1. To protect people and the environment from the adverse effects on past coal mining practices.

2. To promote the development of soil and water resources of unreclaimed coal mined lands by:

   a. Stabilizing mined lands.
   b. Controlling erosion and sediment on mined land or land affected by mining.
   c. Reclaim land and water for useable purposes.
   d. Enhance water quality and quantity where it has been disturbed by past coal mining practices.

## NEEDS

Approximately 1.1 million acres of abandoned coal mined lands in 377 counties in 29 states need reclamation. In Pennsylvania - 240,000 acres; Ohio - 196,000 acres; Kentucky - 101,600 acres; West Virginia - 84,900 acres; Virginia - 23,700 acres.

## FUNDS

Funds for reclamation work are derived from fees on active mining of $.35 per ton on surface mined coal and $.15 per ton of underground mined coal. Up to 20 percent of fees collected can be transferred to the Secretary of Agriculture for RAMP.

## APPLICATION

Application for RAMP assistance is made to the local SCS office. It is reviewed by the local conservation district and/or RAMP committee and forwarded to the State RAMP Committee for action.

## FUNDING PRIORITY

Top consideration will be given to areas providing "extreme" danger to public health, safety, property and general welfare. Also considered for funding at this time are areas which have adverse effects on public health, safety, and welfare. Sites where reclamation will restore the environment and soil and water resources are eligible will be funded later in the program.

## ELIGIBLE LAND

Abandoned or inadequately reclaimed coal mined land and water affected by coal mining is:

1. Mined before August 3, 1977.

2. No continuing bonding responsibility by mine operator or state.

3. In nonfederal ownership.

4. Not under lease for coal mining.

## ELIGIBLE PARTICIPANTS

Surface rights owners and users and water rights owners acting as individuals, partnerships, corporations, associations, groups or trusts and nonfederal entities (limited to 320 acres per one landowner).

## ELIGIBLE USES

After reclamation, land uses are: cropland, hayland, pasture, woodland, wildlife land, natural areas and non-commercial recreation and associated supporting uses. The reclamation proposed use must be compatible with surrounding land uses.

**RECLAMATION**

Reclamation could involve land grading, revegetation, and installing surface water control measures such as diversions, waterways, and retention ponds. Reclamation work is to bring the land back to the point of soil stability. Further development of the land is at the owner's expense.

## RURAL ABANDONED MINE PROJECTS

The following list gives acres of abandoned mines from surface mining of coal. Acres are given priority for each county and a state total. The source of this information is the SCS District Conservationist in each office. The DC's used all available inventories, information and their knowledge of the counties.

| COUNTY | AC.- PRIORITY 1 & 2 | AC. - PRIORITY 3 |
|---|---|---|
| Anderson | 800 | 6,000 |
| Campbell | 3,280 | 7,350 |
| Bledsoe | 50 | 240 |
| Claiborne | 440 | 3,960 |
| Cumberland | | 535 |
| Fentress | | 170 |
| Grundy | 1,700 | 2,000 |
| Hamilton | 55 | 175 |
| Marion | 500 | 2.049 |
| Morgan | 475 | 5,300 |
| Overton | | 375 |
| Pickett | 30 | 43 |
| Putnam | | 50 |
| Rhea | 5 | 150 |
| Scott | 1,800 | 7,200 |
| Sequatchie | 300 | 500 |
| Van Buren | 75 | 200 |
| White | 50 | 300 |
| TOTAL | 9,560 | 36,597 |

TOTAL FOR STATE: Priority 1 & 2 = 9,560 Ac.
Priority 3 = 36,597 Ac.

46,157 Ac.

*Base line statistics from the Tennessee Department of Conservation, Abandoned Mine Lands Division, National Inventory of Abandoned Mine Lands in Tennessee.

## STATEMENT OF THE ROCKY MOUNTAIN OIL & GAS ASSOCIATION

Mr. Chairman, Members of the Subcommittee. This statement is submitted on behalf of the Rocky Mountain Oil and Gas Association (RMOGA) and the American Petroleum Institute (API). RMOGA and API have testified in the past against the prohibitions placed on oil and gas leasing and permitting on onshore lands through the Appropriations process; however, we believe elimination of such prohibitions in the FY 1987 Department of Interior Appropriations is becoming critically important.

RMOGA represents hundreds of large and small oil and gas companies involved in every phase of exploration, production and transportation activities in the Rocky Mountain West; these operators account for 90% of the oil and gas resources produced in our eight state region. API is an industry trade association composed of 222 companies of all sizes and 5,400 individuals involved in all phases of the petroleum activities on federal lands throughout the country.

This is the fourth year that a moratorium on oil and gas activities in wilderness candidate areas has been in effect. This moratorium affects approximately 37 million[1] acres directly, and many million more acres indirectly. We encourage the Congress to reanalyze the prudence of continuing with this prohibition in 1987 and to look anew at the intent of the moratorium in concert with its impact.

In 1982 the Congress imposed the first prohibition on oil and gas leasing and permitting in designated wilderness areas and in lands under study for wilderness. The legislative history clearly indicates that Congress wanted to prevent oil and gas activities from taking place in designated wilderness lands. Some Members of Congress were also concerned that such activities might not be compatible with sensitive environmental values of lands under wilderness study and that permitting such activities might permanently impair their suitability for wilderness designation. Recognizing these concerns, Congress attached a moratorium to the FY 1983 DOI Appropriations bill and has continued the prohibition each year thereafter.

Several new developments, however, make continuing the prohibition unnecessary and, in our opinion, unwise. First, the Forest Service's wilderness studies are practically complete, and the BLM's wilderness study program is now well underway and in some states nearing completion. The BLM, in a manner similar to the Forest Service's decisions on its RARE II lands, must make recommendations on whether the study lands are better suited for wilderness or for multiple uses, including such uses as grazing, mineral development, and recreational activities. The BLM must look at all the lands' resources to make these tradeoff decisions. A mineral inventory is a part of this analysis but remains a serious problem for the BLM because meaningful geologic data which can be used in its wilderness deliberations cannot be obtained.

The Appropriations prohibition has precluded oil and gas leasing or permitting in these candidate areas for more than four years in many cases, causing little new geologic data to be obtained or made available to the BLM. Because many of these areas had not experienced any exploratory activity prior to the time of the first prohibition, the geologic potential of these areas, not only for oil and gas but for other minerals, is largely unknown. The BLM therefore is depending in large part on outdated, superficial geologic analyses conducted before 1981 by the Department of Energy. These are little more than literature searches of geologic publications. The current prohibition prevents the BLM from acquiring updated geologic information--information which can only be obtained through exploratory activities--and prevents the BLM from incorporating such information into its wilderness studies. This has resulted in serious fundamental problems regarding the accuracy and adequacy of the BLM's wilderness recommendations.

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[1] 2.5 million acres of Forest Service recommended wilderness areas; 9.3 million acres of further planning and Congressionally designated wilderness study areas; and 25 million acres of BLM WSAs.

We cite the following example of this dilemma. In its analysis of the mineral potential of the Phipps Death Hollow Wilderness Study Area in Utah, the BLM utilized almost exclusively the 1981 Department of Energy's evaluation, because it had no viable geologic information about this unexplored area. Relying on that DOE opinion, the BLM concluded that "no economic mineral or energy resources are known to exist within the WSA". Shortly thereafter, a world-class carbon dioxide gas discovery was made immediately north of the WSA. That discovery, made possible only because exploratory activity was permitted on adjacent lands, totally changed knowledge of the geology of the WSA and hence its subsurface value. The same situation is true in and around Forest Service RARE II lands.

RMOGA and API believe that specific geologic information must be considered by the Forest Service and the BLM in an updated form in order to provide the best information upon which to base their decisions. Our belief is based on the fact that the oil and gas industry is particularly sensitive to new developments in geologic interpretations, technology, and economics. Information about other resources such as wildlife, recreation, and water, is easier to update because these resources are visible and their value and evidence of occurrence are not dependent on evolving technology or economics. Such is not the case for oil and gas. The generation of specific mineral resource information of the type needed to make wilderness decisions is uniquely sensitive to cutoff dates, such as those established through past Appropriations bills.

The tangible geologic information these agencies need about the subsurface resources of wilderness study lands is not available except through drilling and other exploration activities. It is vital for Congress to have meaningful geologic evaluations of these areas in order to make sound decisions about wilderness designations--designations that permanently withdraw lands from mineral exploration and a myriad of other multiple use activities.

Second, the Federal Government's attitude, as reflected in recent land management plans, in the wide usage of restrictive lease and operating stipulations, and in Forest Service and BLM policy documents, clearly demonstrates that environmental concerns are of paramount importance. Congressional protective measures implemented by the Department of the Interior and the Forest Service have significantly improved the way development is conducted on public lands and a sound environmental record today is the result. Moreover, among the controls on oil and gas activity which assure compatibility with wilderness characteristics are the restrictive lease and operating stipulations applied on Forest Service and BLM lands; these stipulations are even more restrictive on wilderness study and further planning lands, and give a good indication of the kind of protection these lands receive even without the prohibition on the Appropriations bill.

Third, the passage of the 1984 Wyoming Wilderness Act proved the fact that oil and gas activities are entirely compatible with sensitive wilderness environments and that such activity does not preclude later designation of an area as wilderness. In one of the most dramatic examples of this compatibility, it has been discovered that two wells were drilled in Wyoming in a sensitive roadless area. These wells, accessed by newly constructed roads, were later plugged and abandoned and the areas reclaimed. The 1984 Wyoming Wilderness Act established the Gros Ventre Wilderness--an area which included the very locations of these two well sites. Because the areas were reclaimed and the location of the well sites was undetectable, these lands were considered suitable to become a wilderness area. This clearly illustrates that oil and gas activity is indeed a temporary disruption which has no long-term environmentally harmful consequences even in the most pristine wilderness candidate areas.

Fourth, the Wilderness Act's December 31, 1983 deadline for mineral leasing to occur has expired, thereby removing the possibility that new oil and gas exploration can take place in designated wilderness areas.

Finally, as a Subcommittee of the Appropriations Committee, you will be looking at the FY 1987 Budget with an eye toward reducing expenditures and increasing revenues. We believe that, given the heightened concern and the track record established by the Forest Service, the BLM, and the industry for environmentally safeguarding these and other areas from impairment, Congress should allow these areas to be leased and carefully explored. The considerable revenues gained by leasing these lands will be supplemented by the substantial royalties from resources produced. Moreover, there will be significant benefits derived from identification and production of domestic reserves.

Mineral revenues generated from onshore federal lands are substantial. In 1984, the total revenue from oil and gas activities on onshore federal lands was $1,184,518,877, of which $542,646,214 was returned to twenty-eight states; $414,868,042 was included in the Reclamation Fund; $76,589,697 was collected from Windfall Profit Taxes; and $150,414,924 was returned to the general U.S. Treasury.

The nation needs to find more oil and gas. Increasing our domestic exploration commitment will help reduce the current level of imports--now 1/3 of our daily consumption--which with the current low price of oil, may increase in the coming months. Because new discoveries can take eight to ten years to produce and bring to market, now is the time to encourage domestic oil and gas exploration activities. We urge the Members of this Subcommittee, in which so many important energy and budget-related decisions are made, to revisit the issue of onshore moratoria and to allow the reasonable exploration of these non-wilderness areas.

Thank you for the opportunity to submit this statement.

## STATEMENT OF THE AMERICAN PETROLEUM INSTITUTE

The petroleum industry believes that the future security and economic welfare of the United States depend in large part on achieving the goal adopted by the Congress as national policy in the OCS Lands Act Amendments of 1978. In the Act, Congress called for the expeditious and orderly development of this country's offshore oil and natural gas resources, with appropriate environmental safeguards.

Progress has been made in exploring some of the nation's offshore areas, with significant successes in the Gulf of Mexico and in a very small area off the coast of Southern California. Unfortunately, no substantial new discoveries have been made in frontier areas in the Alaska OCS or in the waters off the Eastern United States. The lack of success in those areas means that it is even more important to explore remaining OCS areas.

Moratoria imposed by the Congress have postponed the orderly evaluation of many of the promising areas offshore California and New England. It is our hope that during this session, Congress will eliminate the current moratoria affecting areas off New England and will refuse to extend moratoria to any new areas or to reimpose them on areas that have been under restrictions of that kind in recent years.

Removing those barriers can be a major factor in allowing offshore exploration and production to go forward in the manner prescribed by the Congress and ratified by the Courts.

If further exploration of the nation's Outer Continental Shelf succeeds in finding significant amounts of oil and natural gas, those new reserves will strengthen the economy of the United States, bolster its security, reduce the need for imported oil and provide employment across the land for years to come. Furthermore, at a time when budget considerations are among this country's highest priorities, it is important to point out that an orderly offshore exploration program will continue to be an important source of revenue for the federal government.

Leasing moratoria are not necessary in order to protect the interests of coastal states, tourism, commercial fisheries or any other segment of society.

Figures published by the National Marine Fisheries Service provide proof that petroleum activity in the Gulf of Mexico is compatible with commercial fishing. In 1950, the commercial fish catch in the Gulf totaled some 571 million pounds. By 1984, the commercial catch in the Gulf of Mexico has increased to more than 2.6 billion pounds -- an increase of more than 360 percent. The increase is attributable to new technology and a larger fishing fleet, but the facts clearly show that oil-related operations in the Gulf have not adversely affected commercial fisheries. In fact, a dozen or more species of fish that were virtually unknown in the area before offshore drilling began can now be found near the platforms, which provide shelter for many kinds of marine life. These conditions also provide attractive opportunities for sport fishermen.

Also, there is no evidence that offshore petroleum activities have discouraged tourism in California or anywhere else in the United States.

Existing federal and state laws and regulations provide an array of environmental safeguards and create a viable system of consultation and reconciliation. Coastal states have many opportunities to influence federal offshore leasing decisions. And after leases are purchased, the states continue to have a strong voice in what happens off their coasts. No geophysical boat could operate, no drilling rig could begin a well, and no platform could produce a single drop of oil or a cubic foot of natural gas without a host of state and local approvals and full compliance with all applicable laws and regulations.

Within recent years, even more strict measures have been adopted to reduce oil spill risk, protect water quality, safeguard all marine mammals, minimize conflicts with tourism and fishing and protect air quality standards.

Determining the extent of the nation's offshore oil and gas potential is not something Americans can afford to delay until some more convenient time. The law makes it clear that the energy resources beneath the Outer Continental Shelf belong to all the people of the United States. They must be managed for the greatest good of all concerned.

U. S. oil and natural gas production has outstripped discoveries since 1970. Proved reserves have declined by 30 percent. Today's reserves must be replaced by new discoveries, and soon. By the year 2000, only 14 years away, if present production levels are to be maintained, three-fourths of this country's petroleum output must come from fields that have not yet been discovered.

New supplies will take years of effort and the investment of large amounts of capital, especially as the search ventures into deeper offshore waters and more hostile environments.

Currently, this country imports slightly more than 30 percent of its daily petroleum requirements from other countries. In the past three years, imported oil has cost Americans an average of about one billion dollars every week. An improving economy will require more energy, which is likely to increase this country's dependence on foreign oil. The Department of Energy has estimated that imports will account for nearly 50 percent of U. S. oil consumption by 1995.

In the three decades since the federal offshore leasing program began in 1954, only 4 percent of the total federal OCS acreage has been leased for oil and gas operations. Many of those leases have expired or have been relinquished, with the result that less than 3 percent of the total acreage remains under lease and only about 1 percent is now producing oil or natural gas.

Even though exploration has been restricted, the federal offshore domain has produced more than seven billion barrels of oil and more than 70 trillion cubic feet of natural gas in the past three decades. Those operations have generated some $81 billion in revenue for the federal government and have contributed significantly to this country's economic well-being.

The accelerated search for additional oil and natural gas beneath federal offshore waters is not a matter that concerns only one state or any group of states. It is a national priority. The job must be one with proper environmental safeguards and with due consideration for the rights of all concerned. But for the good of all Americans, it must be done without unnecessary delay. We in the petroleum industry urge all members of Congress to help move the nation toward that goal.

# BUREAU OF INDIAN AFFAIRS

## STATEMENT OF JAMES CLAYMORE, CHAIRMAN, BOARD OF DIRECTORS, INDIANS INTO MEDICINE

This is a request for your support for the Indians Into Medicine program at the University of North Dakota. INMED has been in operation since 1973. On behalf of the twenty-three tribes represented, thank you for your continued support.

INMED faces a funding crisis this year, triggered by an overall 5.8% reduction in the program's Indian Health Service funding, and the total loss of previously available funding for an INMED director's salary. Since the loss of INMED's former director's salary through Aberdeen Area IHS, 80% of the salary, or $35,000 including benefits, must be absorbed by INMED's 1986 allocation through the Indian Health Care Improvement Act Title I, section 102. In effect, INMED's IHS funding is 20.8% less than last year.

The former director was a National Health Service Corps physician paid through the Aberdeen Area IHS. INMED staff and board members have been told that the director's salary could be rechanneled, but this has not happened.

There are two major concerns I will bring before your committee now. First, we question why the former INMED director's salary through the IHS Aberdeen Area cannot be utilized to fund the incoming director's salary. The program's former director left in October, 1985, and IHS officials were aware of her plans to leave since March, 1985. Why were there no efforts to keep this funding in INMED? Secondly, we question why INMED received a 5.8% cut in funding for fiscal year 1986-87, when IHS's Master of Public Health programs received only a .9% cut in funding.

To compensate for the loss of the director's salary, and for the 5.8% IHS budget reduction (in effect, a total cut of 20.8%), INMED must this year greatly reduce several IHS categories. The program's IHS Summer Institute enrichment session for Indian junior high and high school level students will only include 20 students rather than 35; INMED must reduce personnel in certain areas; INMED's board of advisors representing 23 tribal governments will not be able to hold any IHS-funded meetings this year; and vital recruitment travel will be severely limited. It is unfortunate that a program as effective as INMED is being curtailed.

As the attached fact sheet indicates, INMED has been a highly successful program focusing specifically on the legislatures' intent in Section I of the Indian Health Care Improvement Act, that is, providing Indian health professionals to meet Indian health needs.

INMED graduated eight medical doctors and four allied health professionals in 1984-85. Association of American Medical Colleges statistics indicate there were only 65 Indian MD graduates nationally last year.

INMED is making an impact, and the program continues to improve. In the past year, the INMED students' overall grade point average has increased by nearly half a point.

On behalf of the INMED students, staff and reservation-based Board, thank you for this opportunity to address these issues vital to the continuation of the INMED program. Thank you also for your support of the Indian Health Care Improvement Act and academic opportunity for Indian students.

INMED FACT SHEET

INMED has assisted a total of 64 Indian health professionals educationally, including 45 physicians, four B.S. degree registered nurses, three Physicians assistants, two MPH, two health educators, two lab technician assistants, one physical therapist, one medical technician, one sanitarian/lab technician, one CHR coordinator, one Addiction counselor and one dentist.

INMED is currently offering complete financial, academic, and personal support services to 24 pre-professional students, and 28 professional students in medical and nursing schools. INMED has enrolled 207 in pre-professional academic curricula since 1973.

INMED has organized and implemented a Summer Institute Program for high school and college students each year since 1973. Over 200 complete applications have been received annually for the 20 to 60 available positions. To date the total enrollment in Summer Institute is 516.

INMED is governed by an all-Indian Board of Directors consisting of tribal appointees representing 23 tribes in INMED's service area (North and South Dakota, Wyoming, Nebraska, and Montana), plus several charter members. This Board has provided direction, policies, and priorities to the INMED Program continuously since 1974. This Board of Directors is INMED's linkage to the wishes, needs, and resources of the 100,000 Indian people in the INMED service area.

INMED had an overall retention rate of 80% for the pre-professional students and 90% for professional students. The national drop-out rate for Indian medical students is estimated to be 12%, or 88% retention rate; while the Indian college student rate is about 50%. INMED staff provided yearly over 900 hours of tutoring and 3500 hours of academic, financial, and personal counseling as part of INMED's extensive support services system.

INMED staff uses telephone, written communication, and personal visits to make over 13,000 contacts annually with counselors, Indian students, parents, tribal officials, and many others. These contacts, inside and outside the 22 reservation service area, are to increase the interest, awareness, and motivation of Indians toward the health professions, and also to retain participating students in thier curriculums.

Since 1973, INMED has produced numerous publications, including a color book, paper doll book, health careers game, posters, recruitment comic book, and 2 volumes of physicians biographies. The program has also produced audio-visual materials, including program presentations, teaching video tapes on genetic counseling and photo dermatitis, a puppet "health career" education show, a feature book entitled "Medicine Women" (funded through the Women's Educational Equity Act Grant), and a video tape entitled the "Red Medicine Road", that combines Indian medical philosophy with motivational techniques.

INMED has produced fourteen workshops addressing current Indian health issues such as: alcoholism, tuberculosis, traditional medicine, health career education, diabetes, health manpower training, hypertension, and child sexual abuse.

Through the program's offices in the School of Medicine, INMED's formal linkages at the University of North Dakota have expanded and now include working with the Medical Technology Department, College of Nursing, and the Physical Therapy Department. INMED is also involved in delveloping programs to sensitize the nursing staff and students to the culture and needs unique to INMED people.

INMED staff and students have participated in the planning and implementation of all Indian social and cultural activities on the University of North Dakota campus annually.

The University of Manitoba School of Medicine at Winnipeg, Manitoba and the Coordinator of Native Health Care Development for Health, Welfare, Canada, have visited the Program and used INMED as a prototype for projects they are developing.

The INMED Director assisted the UND School of Medicine and Indian Health Service in developing educational and clinical programs on INMED service area reservations.

INMED has aided reservations research health issues on the local, as well as national levels.

Six issues per year of the INMED newsletter, the Serpant, Staff & Drum are distributed to approximately 500 individuals and organizations interested in Indian health care and education.

In 1983, one graduating INMED physician scored in the 95% on National Medical Boards II. Combined with his 99% on Boards I, this student was in the 97% nationally for graduating physicians. That same year, he was also awarded the H.J. Kaiser Award for outstanding academic acheivement nationally by a minority medical student. He is currently practicing at his home reservation.

INMED placed three Post Baccalaureate students (pre-professionals) with the National Institute of Health Summer Development program for summer of 1983, one student in the National Institute of Health Carcinogenic Research Laboratory for a one year appointment.

Four Indian medical graduates began residency programs in North Dakota beginning summer, 1985. Three are in their second years for a total of seven INMED physicians doing residencies in North Dakota.

INMED graduated ten health professionals in 1985. Eight physicians and two nurses, this is the most the program has had in one year.

An INMED medical graduate in 1984 received the first Mead Johnson Young Investigator award to finance her continued cancer research. She is currently employed by MED CENTER ONE Hospital in Bismarck, ND.

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TO: Lizz DATE: 3-11-86

FROM: Bud

RE: IHS Budget Comparisons

Budget Allocation for March 1, 1986 to February 28, 1987:

| | |
|---|---|
| Direct Costs ------------ | $ 255,556.00 |
| Indirect Costs ---------- | 20,444.00 |
| TOTAL BUDGET - - - - - | $ 276,000.00 |

Budget Allocation for March 1, 1985 to February 28, 1986:

| | |
|---|---|
| Direct Costs ------------ | $ 271,095.00 |
| Indirect Costs ---------- | 21,688.00 |
| TOTAL BUDGET - - - - - | $ 292,783.00 |

The overall budget for year 1986-87 is 5.8% less than the 1985-86 budget.

However, INMED was required to take the salary for the Director from the Total Budget figure. This reflects as follows:

| | |
|---|---|
| Total Budget ---------- | $ 276,000.00 |
| Less Director Salary -- | 35,400.00 |
| BALANCE | $ 240,600.00 |
| Less Dir Fringe Ben --- | 8,496.00 |
| ADJUSTED BALANCE - - - | $ 232,104.00 |

Deducting the Director's salary and fringe benefits from the Total Allocation for 1986-87, the INMED Program actually received a reduction in allocation of 20.8% from the 1985-86 budget.

## STATEMENT OF ELAINE WALBROEK, DIRECTOR, MPH PROGRAM FOR AMERICAN INDIANS AND ALASKA NATIVES, UNIVERSITY OF CALIFORNIA, BERKELEY

FUNDING REQUEST: For Fiscal Year, 1987, $240,000 is requested for support of Master of Public Health Degree Programs for American Indians and Alaska Natives at the Schools and College of Public Health at the Universities of California, Berkeley; Hawaii, North Carolina, and Oklahoma. This is the same sum requested for FY 1984, 1985, and 1986.

PROGRAM JUSTIFICATION: On December 24, 1985, the Census Bureau released a report[1] based on a special questionnaire on Reservation Indians as part of the 1980 Census, making this the first comprehensive national survey on American Indians. Information was collected on income, poverty, employment, health care utilization, and housing from the 450,000 American Indians residing on Reservations. Major results from the survey include:

- In 1980, when 12% of all Americans lived below the poverty line, 42% of Reservation Indians did so. This is higher than 31% of Blacks and 20% of Hispanics.
- Race

| Race | Median Family Income-1979 |
|---|---|
| Reservation Indians (Outside Oklahoma) | $ 9,924 |
| Reservation Indians (In Oklahoma) | $11,274 |
| Blacks | $12,618 |
| Hispanics | $14,711 |
| Whites | $20,840 |

- Housing conditions are poor -- 44% of households have no telephone, 53% no central heating, 10% are without electric lighting, 15% have no piped water, and 17% lack their own plumbing.
- One out of three Reservation Indians (33%) over the age of 16 was unemployed for at least 15 weeks.
- The population of American Indians on reservations is younger than the overall American population as a whole. Their median age is 20.8 years compared to 30 years for the American population as a whole.
- Reservation Indian families are large averaging 4.4 persons per family. One out of three families has at least one child under the age of six and two out of three have children under eighteen.

The picture that comes out shows still existing, deplorable conditions, implicit in which are extraordinary needs. There has been an 85% increase in the number of American Indians and Alaska Natives in the ten years between the 1970 and 1980 census. There are American Indians spread through all of the 50 states, and Eskimos and Aleuts primarily in Alaska. There is no other population in American society that is so disadvantaged.

The Report shows that Indian Health Service is the major source of health care for Reservation Indians (74%); some used tribal clinics (5%) and private care comprised 18%. Medicaid or medicare paid 3% of Indian health care.

Reservations and rural Indian communities are generally isolated areas where the geography, the climate, the vast distances, the lack of roads and nearby private or local health facilities make it difficult to provide health and other services. These factors make Indian Health Service essential and essential to IHS has been the training of Indian people as providers of these services. Who understands better the critical needs of Indian people, the cultural background, problems of acceptance of services than Indian health professionals? Who better will work in these isolated areas?

BACKGROUND: Representatives of the Indian programs in the four Schools of Public Health at the Universities of California, Berkeley, Hawaii, North Carolina and Oklahoma have been working together for over five years, and in the case of UC, Berkeley, and the University of Oklahoma for fourteen years. There has been meetings, telephone and written communication concerning program development, referral of Indian students, and shared experiences in terms of retention efforts and curricula. The strength of the ties is manifested in that one institution's program director represents all four institutions in speaking for program funding, and has done so on a continuing basis for the last five years.

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[1] The Census Bureau's Report is entitled "American Indians, Eskimo and Aleuts on Identified Reservations and in the Historical Areas of Oklahoma (Excluding Urbanized Areas: Part I." Part II is expected by March 1986.

Currently there are 45 American Indian/Alaska Native graduate students enrolled in MPH specialties such as: clinic and hospital administration, health planning, health education, biostatistics, epidemiology, occupational health, environmental management, biomedical laboratory science, gerontology, maternal and child health, alcoholism studies, and nutritional science.

These programs are designed to materially increase the number of American Indians and Alaska Natives in public health professions, for the purpose of meeting Indian Health Service and tribal health program needs. Currently there are 45 Indian students in public health graduate studies in the four Schools of Public Health. There has been a total of 277 graduates including 18 students at other Schools of Public Health[2].

PROGRAM DESCRIPTIONS: University of California, Berkeley: In May, 1986 there will have been 126 graduates from the UC, Berkeley program, with four degrees pending; and 18 from eight other Schools of Public Health, students who were financially supported through the UCB Indian MPH Program. One third of the graduates work for IHS, another third work for Indian organizations. Out of those employed by IHS, there are two Area Directors and five Service Unit Directors, as well as 25 program chiefs or directors. One MPH graduate went on to Stanford Medical School and is now Medical Officer at Haskell Indian School. Nine students are continuing on with further graduate education.

The University has committed $42,000 in traineeships and tuitions for Indian students this year, along with support for a summer preparatory program and tutorials.

As a spinoff from the Indian MPH Program, there is now an Indian MSW Degree program in Social Work and Community Mental Health with a three week summer preparatory program offered as a cooperative effort between the MPH and MSW program. A Financial Assistance publication is in process which will be available in the Summer 1986. Special efforts are directed through routine communications with students that deal with financial aid sources available to applicants to the School of Public Health. The program has sponsored a University-wide American Indian Graduate Student Association which has sufficient numerical strength to secure funding from the UCB Associated Students of University of California (ASUC). Available to all the graduate students are the resources of the Student Learning Center which provides classes and tutorials in an array of subjects including research methodology, statistics, study guides, speed reading, etc.

University of Hawaii: The School of Public Health, University of Hawaii has drawn almost one-third of its 25 Native American graduates from Alaska and the northwest. Intensive recruitment efforts are ongoing particularly in South Dakota and Nebraska with visitation cycles planned to rotate through the various Service Units of Indian Health Service. Emphasis is on personal contact with careful pre-visit preparations.

Negotiation is underway with two Indian community colleges to set up an experimental program that will not only aid in general recruitment for health, but also to boost the grade point average of students whose work experience makes them prime candidates for an MPH degree. To date, out of the 25 graduates, 14 are currently working with IHS, seven with tribal programs. The retention rate has been high with only one student dropping out since the program's inception in 1979. There has been considerable commitment from the University in the form of traineeships, and special recognition of individual student needs.

Since the Schools started in 1962 (and prior to the program's initiation) over 50 graduates have become employees of IHS; however only two were American Indians. The special Indian focused program started in 1979 has stimulated employment by IHS of American Indians.

University of North Carolina: The University of North Carolina is the only school of public health on the Atlantic seaboard that has a program of encouragement of eastern Indians to graduate school in public health. The program has progressively expanded to now include the resources of the Non-residential Regional Program in the Department of Health Policy and Administration to train 8-10 qualified IHS Indian employees per year in a primarily off-campus program. The program makes part-time graduate degree study available to health practitioners who can continue as IHS employees while studying for their MPH degrees. Another project in the developmental stage is an academic skills guide for use by the IHS Office of Manpower Development for distribution to Indian students in fields of health. The administrative component and student support center continues to provide academic, professional career, and personal counseling and academic tutoring. There have been 45 American Indian students admitted with only five withdrawing for academic and/or personal reasons. Two have transferred respectively into the schools of medicine and dentistry. There have been 29 Masters of Public Health or Masters of Science in Public Health degrees and two doctoral students graduating this Spring.

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[2] These are Schools of Public Health at: UCLA, Minnesota, Texas, Washington, Loma Linda, Harvard and Tulane. The students are those advocated for and formerly supported by the University of California, Berkeley when program funds were available to UCB for direct student awards of tuitions/traineeships.

Of the 29 graduates, nine are working for Indian organizations, 14 are continuing on in further academic work, 14 are in non-tribally specific employment. Only three graduates are employed by IHS because 50% of the graduates are Eastern tribal members and have no employment preference because they are not Federally recognized, even though they are eligible for IHS 104 Scholarships and paid internships.

University of Oklahoma: There have been 66 graduates from the University of Oklahoma's College of Public Health, 34 of which are currently working with IHS and ten with tribes or other Indian organizations. A close relationship is maintained with IHS including the "Study-While-You-Work-Program" planned at the request of IHS. It allows an IHS employee to earn a MPH degree in three years while maintaining his/her present employment. A degree is earned through selected weekend classes, study assignments at home and concentrated periods of summer enrollment.

The program has sponsored the Native American Public Health Student Association which has enhanced student interaction and projects as well as Indian student identity within the College of Public Health, and an Indian Chapter in the University of Oklahoma's College of Public Health Alumni Association which will provide more organized assistance in recruiting, job referral, workshops and graduate student network benefits. In the developmental stage is a Study Guide, specific to Indian or other minorities which will be an integral part of current Indian student orientation. Available to the students is a study skills instructor available to students on a regular basis.

CONCLUSION: All four of these major Universities draw students from across the country, they also serve as regional centers with Hawaii getting a large portion of Alaskan and Northwest students; Berkeley serving western, northern and southwestern and northern plains students, Oklahoma drawing students from the central, midwest and southeast portions; and North Carolina serving the eastern seaboard. The same amount $240,000 is requested as has been in the past four years even though costs have escalated and programs at the respective institutions have expanded.

It would seem inefficient and uneconomical to stop the most significant programs which are responding to Indian health manpower demands, and at the same time meeting the legislative intent of the Indian Self-Determination Act, that Indian people be responsible for the direction of their own affairs.

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Elaine Walbroek,MPH, Director
MPH Program for American Indains
Alaska Natives
University of California, Berkeley

William Small, M.S., Associate Dean
and Director
American Indian Recruitment Program
University of North Carolina

John Caskin, Director
Special Educational Opportunities Prog.
University of Hawaii

Mitchell Owens, Ph.D., Departmental
Chairman and Director
Health Professions Recruitment Program
for Native Americans
University of Oklahoma

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## STATEMENT OF THE NORTHWEST PORTLAND AREA INDIAN HEALTH BOARD

We wish to thank the Senate Appropriations Committee for the opportunity to provide testimony on the Administration's fiscal year 1987 budget request for the Indian Health Service. The Northwest Portland Area Indian Health Board, representing the thirty-seven (37) Federally-recognized tribes in the states of Oregon, Washington, and Idaho, and as delegated by the tribal governments by resolution, appreciates this opportunity to meet with you today to discuss important budget and policy issues affecting the Indian Health Service. The health care provided to Northwest Indians by IHS is of critical importance to our tribal governments, and we strive to do everything possible to maintain and improve the health services provided as a part of the federal responsibility to Indian people.

In the Pacific Northwest, over 100,000 Indians live on reservations, in urban areas, and in small communities. Of these, approximately 80,000 Indians received health services through the IHS system last year, and this number will increase in fiscal year 1987. Aside from the natural population increases among Northwest tribes of over 2% per year, we have an undetermined but significant number of people returning to the reservations who then become eligible for health services through IHS. If one of the terminated tribes of Oregon is restored to federal recognition this year our service population will increase by another seven to ten percent.

The fiscal year 1987 budget for IHS proposed by the Administration is simply not sufficient to provide adequate health services to the American Indian population. This budget would wipe out the results of years of planning and effort through the elimination of vital parts of our comprehensive Indian health care delivery system. The proposed changes would strike at the heart of the special mission of IHS by weakening preventive programs, reducing tribal involvement in health, and abandoning the improvement of ambulatory care clinics and tribal sanitation facilities. It is not cost-effective or appropriate for the federal government to propose restructuring IHS through the budget process.

Additionally, for the second year in a row the Administration is proposing major budget cuts in direct clinical health services for Indian people. We are greatly disturbed by these proposed decreases. In the area of clinical services (hospitals, dental, mental health, alcoholism, and contract care) the Administration's proposal in 1987 is more than $47 million less than the amount provided by Congress (after sequestration) for the current fiscal year. This represents a 9.2 percent decrease in clinical funding at a time when medical costs are expected to increase 8-10 percent and the Indian population is projected to grow by at least 2 percent. Overall, the Administration's request of $722 million for Indian Health Services in FY '87 is $84 million less than the current funding level, a 10.5 percent decrease.

Quality of care would suffer greatly with such inadequate resources, and many Indian people will have to be turned away from our IHS and tribal clinics. Contract health care, now restricted to life-threatening cases only, would become dangerously minimal and would not even cover all of our urgent and emergent cases. Mental health and alcoholism programs, which are not now able to meet the demand for care, would be even less able to deal with these serious problems in our communities.

The proposed reductions which threaten the integrity and function of the entire Indian health care system would be exacerbated by additional major proposed recissions in the already-appropriated FY 1986 IHS budget. The loss of 7.2 percent of the IHS budget for 1986 in the middle of the fiscal year would be a terrible blow. After the Gramm-Rudman sequestration of 4.3 percent, the IHS budget is already below the 1985 level. There is no rational justification for inflicting additional damage on Contract Health Services and other necessary health services and construction programs.
Such recission proposals also seriously endanger the continuity of health services delivery by preventing the distribution of appropriated funds until extremely late in the year.

Our Northwest tribes hold that health care for Indian people is not a racial issue, nor is it a financial issue; it is a legal and historical obligation based on treaty, law, and the trust responsibility which the federal government forcibly assumed over Indian nations. The effort of the Administration to propose increasing inadequate Indian health services, citing budget restrictions, is, in effect, a back door attempt at termination of a trust responsibility that could not be dissolved in the courts.

## Projected Deficits For The Northwest Area

The statistics which follow relate to the current fiscal situation in the Indian Health Service for the Northwest Area: all areas are presently operating at F.Y. 1985 base level. If the Gramm-Rudman budget reductions and the Administration's proposed recissions are applied to the F.Y. 1986 budget, the financial picture could be far worse, but we are not now able to project exactly what it would be.

The Northwest is projecting a $2,643,000 deficit in the IHS Hospitals and Clinics budget activity, which employs an average of 250 full-time equivalent positions annually. This activity pays for appoximately 30% of all P.L. 93-638 contracts in the Northwest, and supports all primary care providers, clinical nurses, pharmacists, medical technologists, etc., and their related support costs. With our resources declining annually, a projected medical inflation rate of 8% in the Northwest, pay increases not covered by supplemental appropriations, and workload increasing approximately 5% annually, our financial perspective is getting worse every year. In addition, the Portland Area is projecting a $599,000 deficit in Direct Operations. This activity pays for all positions located in the Area Office and their related support costs. It supports such functions as Financial Management, Human Resources, Services, Administrative Services, Contracting and Procurement, etc. Also in other budget activities such as Dental, Mental Health, Public Health Nursing, etc., we are projecting an additional $114,000 deficit. These activities pay for Dentists, Dental Assistants, Psychiatrists, Community Health Nurses, etc., and their related support costs. The total projected deficit for the Portland Area IHS is

$3,316,000. This does not include the shortfalls in the tribal contracts or in Contract Health Services, which by law are not permitted to go in the red.

A tragic result of this deficit is that, to balance our Area IHS budget, it will be necessary to reduce the number of IHS employees by over 20 percent; 70 percent of these personnel are projected to be lost from direct service locations. A further decrease of over 5 percent in FY 1987 would make our staffing and services picture even more desperate.

### Deferred Contract Health Services For The Northwest Area

Since the Northwest has no Indian Health Service hospitals and there is limited access to IHS and tribal clinics, Northwest Indian people are dependent on the contract health services system (CHS) for all hospital care, as well as many outpatient services. Because the CHS budget for the Portland Area is so inadequate, most contract health care is limited to urgent and emergent (Priority I) services, defined as those services which are needed to prevent death within one year. Other necessary health care, which may be vital to an individual's well-being and is authorized by IHS regulations, but may not be immediately life-threatening, is placed on a "deferred services" list in the hope that IHS may eventually be allocated additional CHS funds to meet these needs.

At the end of the first quarter of F.Y. 1986, there were at least 4,400 individual Northwest Indian patients listed for deferred medical, surgical, dental, vision, and hearing services in the three states of Oregon, Washington, and Idaho. The resources requirement to meet this known need is $3,500,000. The deferred services requirement has increased this fiscal year at the rate of $200,000 per month. The requirements do not include the unknown need for treatment of alcohol and substance abuse clients which presently are not being provided through referrals or placed on the deferred services list because of funding constraints and other patients that have given up seeking deferred services due to constant denials.

An example of a needed deferred surgery is an elder Indian woman with carpal tunnel syndrome, a condition that effects the small bones at the base of the palm of the hand. This woman supports herself by weaving baskets, but with this debilitating condition she is unable to make a living. She has been on the deferred services list for more than one and one-half years. Other deferred services examples include cataract removals, hernias, knee and shoulder reconstructions, hearing problems, and dental surgeries. These are serious conditions that effect the quality of life and in most cases the Indian people just have to live with the pain. These deferred services are a result of past budget cuts and lack of adequate funding for Contract Health Services. The Administration is proposing more budget cuts. A projected decrease in CHS funding of over 30 percent from the FY 1985 base level would be devastating to our Indian patients; not even all of our urgent and emergent cases could be served at this level of funding.

### Proposed Elimination of Health Services Programs

The present Administration is proposing elimination of three health services programs that are very important in the Northwest. One of the programs is the Urban Indian Health Program which serves 28,000 Indians annually in Seattle, Portland, and Spokane. The total cost of these three projects is $1,811,000. If these three urban programs are eliminated, the increased requirement on Hospitals and Clinics, Contract Health Services, and other budget activities will be significant. Another valuable program that has been targeted for elimination is the CHR program. Presently, more than thirty different tribes are being served by this program in the Northwest. If this program is eliminated, services such as patient escort to and from clinics or hospitals will be lost, home care visits, educational activities, nursing care and many other services will be terminated which cannot be replaced and will put an additional burden on all the other budget activities. The total cost of the CHR program in the Northwest is $2,042,000. The third program being proposed for elimination is Tribal Management. This activity provides funding for training and technical assistance to thirty-seven tribes relating to Tribal-Specific Health Plans, health skills development, dissemination of pertinent health information, and development of other studies to develop the capability to provide ambulatory services to tribal members and their communities.

### Alternate Resources/Third Party Collections

We cannot accept the Administration's continued high projection of third-party collections. There are more likely to be cutbacks in alternate resources especially in the Northwest. Additional burdens will be placed on Contract Health Services and other funding sources as alternate resources such as State medically needy programs, tribal insurance, etc., are being eliminated due to the poor timber industry and other unfavorable economic conditions in the Northwest, as well as to poor state and local financial situations due to reductions in federal funding.

IHS has projected high collections from third-party payors for the past five years. The request for FY 1987 continues this trend with third-party collections projected to increase to $76.6 million, including $69.1 million in Medicare/Medicaid reimbursements. This projection is made despite the fact that the President's budget proposes a cap on Medicaid expenditures. In addition, a projected collection of $8 million is included from private insurers even though there is no explanation of how IHS will get the authority to do this. The '87 projected increase in third-party collections is more than twice the FY '85 collection of $37.6 million. These third-party collections are not realistic and are probably over twice what IHS will receive.

For these and other stated reasons we oppose the Administration's integration of $15.5 million in projected reimbursements from Medicare/Medicaid and third-party payors for use in the Hospitals and Clinics budget in order to offset "built-in" increases such as FICA payments, within grade promotions, and inflationary costs. This request violates the intent of Title IV of P.L. 94-437, which restricts use of these collections to activities that will maintain accreditation of IHS facilities. Amending P.L. 94-437 in an appropriations bill, which is proposed in the Budget Justification, is not acceptable.

Additionally, the FY '87 budget proposal will require IHS to issue a general notice requiring contract providers to accept reimbursement at a level not exceeding the amount allowed by Medicare for similar services. In the Northwest Area we are dependent upon Contract Health Care. Many of the tribes have fought some bitter battles to obtain this quality hospital care. The doctors are continuously complaining about the high cost of medical insurance and in our experience really cut corners with Medicare patients; in fact, some medical providers will not accept Medicare rates. We believe this will erode the quality of care and are strongly opposed to this proposal.

## Indian Health Facilities

The proposed elimination of funding in FY '87 for facilities construction and sanitation facilities construction is of great concern to our tribes. In the Northwest, ambulatory care facilities are the backbone of the IHS health programs, providing culturally-appropriate primary health care. Currently there are three ambulatory care facilities in the Northwest on the priority list for replacement and we have many others that also need replacement or remodeling. All construction projects are seemingly stalled. If we do not have a replacement program for poor facilities and do not have adequate funding to maintain this property, the quality of care to our Indian patients deteriorates and our ability to attract competent professional staff diminishes. We recommend that the Toppenish clinic, which is number one on the priority list receive funds for construction and further request that planning and design funds be appropriated for the next five outpatient clinics on the priority list.

There is also an urgent need to continue one of the most successful efforts in the area of preventive health - sanitation facilities construction. There is still a large backlog of existing systems which are sub-standard and present a serious health hazard. Currently the recognized unmet need for water and waste improvements for existing Indian homes and communities in the Northwest is estimated to be $14 million and is $500 million nationally.

The Administration proposes to restructure the IHS budget by transferring the Indian Health Facilities Program into the Indian Health Services Appropriation. We are opposed to this transfer. It would lessen the separate identity of construction funds and make it easier for the Administration to use these funds for purposes other than construction. The multi-year availability of funds would also be lost. We urge the Committee to protect the Indian Health Facilities Program.

## Indian Health Manpower

The Administration proposes to reduce funding in the Indian Health Manpower Program by 16 percent. We are opposed to this budget cut because it will mean even bigger shortages in trained Indians to serve in IHS and tribal clinics and hospitals. This budget cut would come at a time when all other training and education funds are being cut. Also, Indian health programs are still having serious problems in filling medical and nursing positions; this will become a crisis in 1991 when the National Health Service Corps placements are no longer available.

In closing we would like to say that the Northwest Portland Area Indian Health Board fully supports the testimony presented by the National Indian Health Board and the National Congress of American Indians. We would also ask that you take the time to read the attachment which describes the legal basis for health services delivery to Indian people.

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## Statement of Duane Yazzie, Chairman, Board of Regents, Southwestern Indian Polytechnic Institute

It is a pleasure to be before the committee today, and I appreciate the opportunity to share a few thoughts with you on the subject of the Southwestern Indian Polytechnic Institute (SIPI) in Albuquerque, New Mexico. SIPI is unique in that it is the only Bureau of Indian Affairs (BIA) funded, all Indian technical vocational institute in the United States. It is also unique in that it has attracted an impressive level of support from the private sector - companies which need the skills taught at SIPI. SIPI succeeds in two (2) ways: it provides the means by which the American Indian, regardless of tribal affiliation or geographic residence, can gain highly technical skills in an environment which is sensitive to cultural background, and it provides industry with a pool of trained technicians from which they actively recruit.

SIPI's enrollment for this school year is approximately 500 students. We graduated 142 students last May for the 1984-85 school year. Over 80 percent of these graduates were immediately placed in jobs or continued higher education. Our graduates have been placed in numerous and diverse occupations throughout the country. A female marketing graduate is the Public Relations Director with the All Indian Pueblo Cultural Center in Albuquerque. The Ed Wa[illegible] Construction Company in Phoenix, Arizona, employs a female Data Processing graduate (a new training program initiated January 1984). The EG & G Company hired an Electronics graduate as a Materials Technician. An Optical Technology female graduate is working with Fred Reed Optical Company as a Lab Technician.

The above examples are a few of the many successes that SIPI has witnessed as graduates are rewarded with training related employment upon completion of their certificate programs.

Due to the support of this committee, SIPI has been able to remain open and continue training American Indians for vocational employment. This committee has also provided additional funding for the Institute; permitting the acquisition of critically needed equipment to keep training consistent with the needs of government, businesses and the tribes. Considering the nature of our economy and the rapid technological change in our society, however, updating of programs is a constant challenge and never ending process for vocational schools. Additional funding will be necessary to provide quality vocational training for American Indians at SIPI.

Also, spelling out future directions is essential to a vocational institute's survival and growth. Consequently, a long range plan is currently being developed that will reflect the vocational training needs of businesses and Indian tribes. The Institute has surveyed students, tribes and businesses to determine the demand that exists for particular types of vocational/technical training.

An analysis of the data collected indicates a number of programs areas needed by Indian tribes, but not currently offered by SIPI. They are construction, tourism, agriculture, medical programs and manufacturing.

The specific programs which could fall under the umbrella of construction include carpentry, masonry, plumbing, electrician, painter, cabinet makers, landscaping and heavy equipment.

The specific programs which could fall under the umbrella of tourism include museum assistant, public relations assistant and hotel management. With the 80 Indian-owned museums, the several dozen Indian tourist resorts, restaurants and hotels, and the few dozen outdoor dramas and related amusements, there is already an established industry active in Indian country.

Agriculture is one of the largest sectors of employment in the Indian country, ranging from cattle and livestock production to cranberry bogs to potato farming. Much of the ownership of agriculture and ranching in the Indian country is not in Indian or tribal hands, which stops or slows down the career of a budding agriculture worker from a reservation. But more and more, tribes are starting their own farming, ranching, greenhouse, cattle and livestock businesses. Programs included in this area are: soil and range management, silviculture, hydroponics, sea ranching, cattle head management, butchering and meat processing, and vegetable growing.

Medical programs are also a great need on most reservations, and SIPI is not conducting any medical technology training now. Such things as an LPN nursing program, or a medical technology/X-ray program are very possible.

Manufacturing was a high priority of most tribal respondents, and there are no current programs on the campus which would be useful in a manufacturing environment. But such certificate programs as welding, machinist and machine operators are possibilities.

The Board of Regents believes that SIPI is doing a good job of training American Indians for vocational employment, as evidenced by the above mentioned placement rates. We do feel, however, that additional funding is necessary and warranted, considering the dynamic nature of vocational education and the training needs of American Indian tribes.

Despite the student enrollment growth experienced by the school since 1978, our FY 1986 budget appropriation of $2,606,000 is $316,600 less than our $2,922,600, 1978 budget, which is too low to maintain quality vocational programs.

The Board feels that a $2,995,000 Instructional program budget for FY 1987 would enable the Institute to offer post-secondary vocational-technical education to American Indians and Alaskan Natives that is contemporary and future oriented. Training that meets both individual and tribal needs, while attracting major industries as bridges for gainful employment.

It is our goal to offer American Indians vocational education that is viable and of high quality so that SIPI is an attractive training ground for those who would rather earn their way through life. A place that enables American Indians to reach their full potential relative to employment and self sufficiency.

Again, we thank you for your continued support and the opportunity to speak before you today.

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## STATEMENT OF PHILLIP MARTIN, CHIEF, MISSISSIPPI BAND OF CHOCTAW INDIANS

My name is Phillip Martin, and I am the elected Chief of the Mississippi Band of Choctaw Indians, a tribe of some 4,000 members living on and near 18,000 acres of reservation land in east central Mississippi. Having worked with a tribal government for more than 25 years, I have become familiar with the federal budget process and how it is supposed to work for Indian people, and must state that this year the two primary agencies serving Indians, the BIA and the IHS, have significantly failed to live up to their mandate of consultation with tribal governments prior to budget submission.

I am sure that a part of the reason for this was each agency's lack of permanent leadership during the autumn of last year; but I believe that there are several proposed policy changes incorporated in the President's budget which would have been opposed by the tribal governments had they been consulted, and that the Administration was not anxious to face opposition until after the budget was submitted.

On the BIA side, there is the proposed "switch and swap" of programs with the U.S. Department of Education, the reasons for which elude me. The proposal reminds me of the ill-fated proposal for the transfer of the Administration for Native Americans several years ago. As long as a program is doing all right where it is, why move it (unless you want to cut it out)? Tribes have reached a level of sophistication at which they are more than capable of handling in excess of two funding agencies, and the loss of one of these additional agencies, the U.S. Department of Education, to tribes would mean the loss of a valuable alternative approach to Indian educational problems. This alternative approach was one of Senator Robert Kennedy's aims when he authored the Indian Education Act, and it has resulted in avenues of innovation in education for tribes which the BIA just does not seem capable of producing.

I note with regret a proposed cut of 80 per cent in the funds earmarked for implementation of the Education Standards in the School Operations budget. Since it is very likely that all of the school shortfalls in this area will not be identified until 1987, continuing funding is needed to bring the schools up to standard.

The other area in the BIA budget which will be a problem and on which tribes were not consulted is the so-called "Tribe/Agency Operations" program. Some tribes see this as a block grant in different garb, and point to block granting as the first step toward elimination. I will reserve judgement on that aspect — but the fact is I can come to no judgements whatsoever on this new program, because how it would work has not been explained to us. Though there have been general statements about increased flexibility, and I wholeheartedly endorse increased flexibility for tribes, we have seen no policy statements, draft regulations or procedures on this, so we cannot tell what "flexibility" will mean in this context.

Among my questions on the "Tribe/Agency Operations" proposal would be: 1) If tribes and agencies are funded from the same pot, how much "flexibility" will the BIA to divert funds from tribal contacts to federal operations? 2) How will programs directly related to the trust responsibility be saved from looting by programs not so directly related? 3) How will the Congress be able to exercise its constitutional responsibility with regard to the tribes, if it can only raise or lower funding to a category so broad it might have been called "All Other"? 4) How will we assure that successive budget reductions to this broad category will not occur, resulting in a de facto return to the policy of Termination?

Self-Determination Grants to tribes have been targeted for a one-third reduction in 1987, cited by the Bureau as a "partial offset" (p. 259) for an increase in contract support. But the two types of funding are quite different. In our case, we use Self-Determination Grant funds for strengthening our legislative branch, something that we could not do with contract support (indirect costs), which cannot be spent on legislative activities due to the provisions of OMB Circular A-87.

Last year's Senate Report earmarked a total of $500,000 in unexpended fiscal year 1985 Law Enforcement funding, including $125,000 earmarked for Mississippi Choctaw, for expenditure in 1986. When we checked on the allocation recently with the Assistant Secretary's office we were told that these funds had already been spent during fiscal year 1985. Our law enforcement program has thus been placed in a double bind by the Bureau through this loss of earmarking, and the fact that the indirect costs "grandfathering" adjustments, also required by the Senate Report, to errors in the fiscal year 84 to 85 conversion, have not been carried out by the Bureau. We were contracting for only a small portion of Law Enforcement at the beginning of fiscal year 1985, and picked up the entire program in the second quarter, but have been receiving "credit" for indirect costs received under the small first quarter program. They have also given us "credit" for less than half of the actual 84 amounts in some of our larger programs, and, inexplicably, over 100 per cent in a couple of our smaller programs.

In this confusing atmosphere, we are operating under approved contracts in the amounts we requested, which do not often bear much resemblance to the final allocations. It is extremely difficult for the tribe to conduct fiscal planning when the contract amounts are severely reduced during the fiscal year. In perhaps an extreme example, we received notification of extensive reductions to our fiscal year 1985 contracts based on the final allocations in November of 1985, one month after the end of the contract period; and had to scramble, after the "last minute" to make adjustments. Luckily for us, and the BIA, we had restrained our spending and had not been obligating at a rate reflecting the levels of our approved contracts.

The Indian Health Service side of this proposal is an extreme disappointment, not only because of lack of tribal consultation, but also because it represents a retreat from a major policy commitment of the federal government. While I realize that the cuts in direct health care services occurred after the budget had been passed above the HRSA level in HHS, they nevertheless represent a call of "time out" in the policy to which the federal government has been committed throughout this century, to bring the health of American Indians into parity with that of other Americans. We have become inured to the Administration's annual requests for the elimination of preventive health programs (which represent the real secret to long-term improvements), but this proposal represents the abandonment not only of future health improvements, but of current care levels as well. It could also be viewed as an affront to a Congress which saw fit to specifically exempt IHS direct care from the general provisions of Gramm-Rudman-Hollings.

IHS, like the BIA, has not requested full funding for tribal costs of contract support; in fact, IHS has requested no separate line item for it, citing the proposed "phased resdistribution of resources based on documented health deficiencies." We and the Norton Sound Health Corporation are currently participating with HRSA and IHS in a pilot project aimed at calculating these deficiencies nationwide, and coming up with alternative approaches to funding of tribal adminstrative costs. We are happy to be of help to HRSA and IHS in this pilot, especially in view of our years of conflict with the Area Office on this issue and the possibility that our contract for total IHS operations on the Choctaw reservation will be funded at a level closer to need.

But we remain somehwat dubious as to the depth of IHS' understanding of tribal contract support costs. That agency maintains that administrative costs should be itemized for IHS-specific expenditures and should be limited to no more than a certain percentage of direct costs (at this point in our exercise, around 17 per cent.) We fear that proposed general reductions in direct health care and contract health care dollars, combined with specific percentage reductions to tribal contract support costs, will encourage more tribes to consider not contracting, and eventually bring about extensive contract retrocessions. Should that prove to be the case, it would, I feel, not only defeat the purpose of Public Law 93-638, but lead to greater costs in the long run. I say it will lead to greater costs because tribes have proven to be much more innovative in their use of IHS dollars than the agency itself. We, for example, using supply sources unavailable to IHS, negotiations with local providers previously alienated by IHS, a tribal self-funded insurance program, and a creative approach to the development of industry, higher incomes, and infrastructure, have raised the health status of the Choctaw people and supplemented preventive health programs, all of which will save the federal government in the future on a cumulative basis.

Much of this innovation has been the result of activities of our tribal administration, funded by indirect costs awards. For this reason alone, I would again urge the committee to recommend full funding on both the IHS and BIA sides of the budget, for tribal costs of contract support.

Although this testimony concerns appropriations, I would also urge committee members to look into H.R. 4174, Congressman Udall's proposed amendments to Public Law 93-638. The issue of contract support is addressed in the proposed legislation, but perhaps even more importantly for us, the language provides for administration and monitoring of tribal contracts at the national level, an idea we have been espousing for a number of years now. There is an inherent conflict in negotiating for dollars with persons whose direct costs must be paid with the same dollars, whose perceived self-interest is in combatting tribal contracting. Centralized administration would provide a nationwide set of rules for tribes to follow and a cadre of federal staff interested in promoting tribal contracting.

Once again I would respectfully remind the members of the committee, and the members of the Senate, that commerce with American Indians, like the national defense, is among the constitutionally enumerated powers of the legislative branch, and deserves, in an atmosphere of expenditure reductions, direct policy consideration through legislation, rather than bearing the brunt of indirect policymaking through proposed appropriation.

## STATEMENT OF JEWELL P.W. JAMES, LUMMI INDIAN NATION

The Lummi Indian Nation urges this subcommittee and the Congress to restore BIA/IHS appropriations to FY86 levels and to provide protection for Tribal government operations and the primary direct services to American Indian people facing hardship and health needs. Indian nations have borne the appropriation reduction under Gramm-Rudman sequestration from all Federal sectors creating government operational instability and service reductions bordering on the choices of who will receive services and live balanced against who won't receive services. The subcommittee and Congress must seriously consider exempting Tribal government operations and essential direct services from the definition of "program, project, and activity" in the FY87 Gramm-Rudman sequestration process for the BIA/IHS allowing the administrative elements to bear the sequestration. Further reductions will simply reverse the self-determination process forcing contract retrocession and administrative chaos.

The Lummi Indian Nation is committed to a future of self-sufficiency through economic and human resource development. The Lummi Indian Tribe, geographically located on the Northwest Coast of Washington State, currently operates the largest American Indian fishing fleet in North America. A majority of the 2500 enrolled Lummi Tribal members depend on the fishing industry, either as independent fishermen or as employees in commercial Tribal ventures, for their livelihood. The reservation borders prime commercial fishing and recreational boating areas as well as traditional shipping lanes. The future self-sufficiency of the Lummi Tribe depends on the management, enhancement, and harvest of the fisheries resource; the carefully planned utilization of a natural harbor area; and the attraction of private enterprise to the reservation.

The Lummi Indian Nation recently was awarded provisional designation for a 120 acre Foreign Trade Zone by the Department of Commerce chartered under the Tribe to attract domestic and foreign private enterprise. The Tribe plans to capitalize on its prime geographic location to develop infrastructures attracting private investment and creating a climate for Tribal business enterprise development.

The Lummi Tribal fisheries sustained significant loss of salmon harvest potential in the U.S.-Canada Pacific Salmon Treaty to ensure sustained yields to the Puget Sound, Coastal, and Columbia River and accommodate equitable U.S.-Canada distributions. In the next four years, the Lummi Tribal fisheries will lose rights to 3.32 million Fraser River Sockeye and 2 million Pink Salmon valued at over $7 million dollars. Intensive hatchery enhancement of Chum, Chinook, and Coho salmon species outside Canadian interception jurisdiction will be an extremely important replacement initiative to sustain the economic vitality of the Lummi commercial fisheries.

Major renovations and expansion on existing 16 year old facilities to modernize operations, reduce production expenses, and increase annual yields and alternative species will require an appropriation of $800,000. For the record, this will be the fourth year this scientifically and economically documented need has been presented before this Committee for consideration. Although enhancement for lost stocks was a promise to Tribal representatives during the U.S.-Canada Treaty negotiations, lost income and unemployment have been our rewards for cooperation. Time has run out regarding lost stocks for our fishermen and continued disregard by the administration are creating only controversial options.

The Congress provided $1.4 million for Columbia River Inter-Tribal Fish Commission and Northwest Indian Fish Commission management coordination for Northwest Tribal participation in the U.S.-Canada Treaty. The administration request reduces this amount by $400,000. We request this program be restored to FY86 levels.

The BIA FY87 Appropriations Justification for Wildlife and Parks again proposes to reduce all Tribal hatcheries operations and maintenance appropriations by $347,000 with Lummi hatchery O&M to be reduced by $36,000. The administration has misnamed the Congressional restoration of the $347,000 as an "add-on" when, in fact, the subcommittee "restored" these funds to an an FY85 level. We appreciate the Congressional restoration in FY86 and request these funds be again restored in FY87 to the FY85 level.

The primary concern of the Lummi Tribe is the well-being of the Tribal membership ranging from family stability and housing to the social infrastructure requirements of health, social, educational, and community services. The administration continues to exhibit a surprising disregard for these basic human needs and we urge this Committee to restore support for human service delivery system. The newest proposal to abolish Tribal control over JOM by transferring this program to the Department of Education and burying it in a lump-sum State-managed program is opposed by the Tribe.

American Indian families have been severely stressed over the past century creating alarming patterns of family disintegration with the breadth of disruptive social behavior from substance to child abuse; separation and divorce to generations locked into low educational achievement and poverty. The Committee is urged to give serious consideration to an IHS and BIA program emphasis on family support mechanisms. In this regard, we request an increase in Indian Child Welfare appropriations so all Tribes may adequately participate. And, a complete restoration of appropriations for the CHR program so responsive to individual and family health needs and disease prevention should be given every consideration.

The Lummi Indian Nation population reflects that over half our membership is under eighteen years of age. No Federal assistance is available for alcohol and drug abuse prevention or mental health promotion for our children as compared to State funding formulas. Again, we request a pilot program initiative supporting guidance, counseling, and substance abuse diversion.

The Lummi Nation law enforcement program was reduced further this year while demand for services, incident reports, and arrests increased. The law enforcement assistance is extremely limited for a Tribe located in close proximity to metropolitan areas. Therefore, we request a budget in FY87 of $215,000 in law enforcement for four officers, a sergeant, and one half-time police chief, criminal investigator, and operational expenses to provide adequate protection and begin to actually reduce crime on the reservation.

We appreciate the Congressional earmark of $43,000 in FY86 for model Lummi judicial services and request instructional language that this special initiative be maintained in FY87. Judicial services are essential to a functional Tribal government. Our judicial system and Tribal systems nationwide need adequate appropriation support to provide efficient justice.

The Lummi Child and Family Services program provides an extremely important professional support function to those Tribal members most in need. These services currently handle 135 wardships and 18 foster placements, as well as the oversight of 8 authorized foster homes with a total capacity of 28 children. Child abuse, including sexual abusement, is a critical concern for the Child and Family Services staff. Program staff, tapping a wide variety of Federal, State, and local resources, provide services from infants to the elderly, the poor and unemployed. The utlization of multiple resources strains the program administration capacity to efficiently coordinate and manage. Increased appropriations for social services, nationwide, is needed to compensate for the reductions in already limited State services.

## STATEMENT OF ROBERT BENDER, CHAIRMAN, BAD RIVER BAND OF LAKE SUPERIOR CHIPPEWA INDIANS

MR. CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, thank you for the opportunity to submit this testimony on behalf of the Bad River Band regarding the BIA FY 1987 Budget.

The Bad River Band acknowledges the fact that the Federal Budget Deficit must be reduced, however, the Reagan Administration's attempts to place the major burden of these reductions upon our country's reservations is both unfair and economically unwise. Funding requested within this testimony is not a "Governmental Handout" but rather viewed as an investment in human capital, in our natural resources, and in our infrastructure.

### NATURAL RESOURCES

The Bad River Reservation possesses a wide range of resources, including a commercial fisheries, timber, wild rice, and wildlife. These natural resources are experiencing additional pressure due to population growth (28% since 1980) and high unemployment (54%). These conditions have forced an increasing number of our membership to become dependent upon the fisheries, wild rice, and game for sources of both supplemental food and income.

Since the Band initiated its commercial fishing regulations in 198[illegible], 215,000 pounds of lake trout and whitefish have been harvested from Lake Superior waters. Population studies compiled by the Tribal Fisheries Biologist along with catch reports have enabled the Band to monitor pressure on the resource. This data is now being utilized to formulate agreements with the State of Wisconsin and the fishing of Michigan waters.

Five large boat fishing operations are currently licensed by the Tribe. Unfortunately, lack of equipment continues to hamper the Band's attempts to strengthen enforcement of its commercial fishing regulations. The Band does not have a craft of adequate size to monitor compliance with tagging requirements or insure tribal fishermen are not harvesting their catch from restricted zones, such as spawning refuges. The availability of a new enforcement craft and radio system would also allow for more effective cooperation between tribal and state wardens, thereby providing a more effective response to tribal complaints of harassment and destroyed nets. The Bad River Band is formally requesting $40,000 for the purpose of strengthening enforcement of its commercial fishing ordinances and protection of tribal rights through compliance with negotiated agreements.

The Band acknowledges the need to not only regulate the resource, but also monitor and enhance reproduction if possible. A new hatchery structure and additional rearing ponds are needed at this time. Projected costs for the 1,800 sq. ft. facility are estimated at $158,400 including utilities and equipment. The Big Redd System is a new technological innovation which enables eggs to be incubated with air rather than water. Incorporation of this new technology is expected to increase survival rates 77% (8% bell jar versus 85% Big Redd) and enable the Band to produce 17,000,000 fry.

Three rearing ponds were completed in FY 1985 which will enable the Band to produce 75,000 fingerlings annually. The Band is proposing to construct three additional ponds at a total cost of $90,000. This would enable the Band to restock 150,000 walleye fingerlings and maintain present populations of this important Lake Superior game fish.

The Bad River Band currently has 56,566 acres of land managed by the BIA Forestry Department. Poor management has caused significant under-harvests lowering productivity and forcing the Band to treat a backlog of 5,500 acres for timber stand improvement and reforestation. It is important to note that the Timber Stand Analysis scheduled for this summer may indicate additional acreage requiring treatment. I am therefore strongly opposing your proposed reductions in the Forestry Development Program of $3,750,000. The Bad River Band is requesting the Appropriations Committee invest $93,750.00 in FY 198[illegible] [illegible] the costs of reforesting 250 acres and completing aspen regener[illegible] acres. The Band's active involvement in the management of its [illegible] can be documented by the fact in FY 1985 the Band had only one timber sale active covering 80 acres, while in FY 1986 the Band has four (4) active sales covering 300 acres.

## INFRASTRUCTURE

The Bad River Band currently has 46.7 miles of roads under its Maintenance Program. Based upon BIA estimates, Tribes should have $2,600 per mile budgeted. Unfortunately, this is not the case. In FY 1984 the Band had $1,078 per mile allocated through its Zero Based Budget. Even though additional Zero Based Planning Funds were allocated on a tribal level, Federal Reductions in FY 1986 lowered maintenance to $717 per mile, a 33% reduction.

Infrastructure improvements are also needed for the Tribe's Industrial Park including sewer main extensions and access roads. Within the last two years, the Band has built two log structures with a third under construction at this time. Additional expansion is only possible with additional investments.

## INVESTMENT IN HUMAN CAPITAL

### Education

The Bad River Band is formally voicing its opposition to the proposed transfer of J.O.M. Funds into the Department of Education. Since 1975, the program has placed an emphasis on meeting the specialized needs of Indian children. Localized control of the J.O.M. Program has enabled our Band to place Indian Counselors into local schools while developing education programs to meet the cultural needs of our children. The Federal Government has had a significant return on its investment, by enabling our tribal government to lower drop-out rates in Ashland County from as high as 50% to less than 15%. Transfer of J.O.M. Funds to the States through the Department of Education will not provide the same level of local participation and guidance. I think we all are aware how ineffective our education programs have become once State experts determine our needs. In review of the Interior's FY 1987 Budget Justifications, the Band is also recommending elimination of the Tribal/Agency Adult Education Program and reprogramming $3,543,000 from savings into the Higher Education Program. This would provide a 16% increase to the projected $22,554,000 in grant awards to Indian students.

### Indian Child Welfare

The Bad River Band strongly objects to the $2,710,000 cut being projected for FY 1987 for Indian Child Welfare. This program is a vital one to our Tribe because it is the only one which works toward family preservation and the welfare of children. In 1982, although Indian children made up only 10% of the total number of children in the county, Indian children constituted 40% of the total out-of-home placements. In 1985, new alternate placements for Indian children has decreased to 25% out of the total alternate placements in the county even though the reservation population increased by 28% over the last five years. Most importantly, all children were placed with extended family members. The county is hard-pressed to handle its current caseload and are not in a position to adequately address casework from our reservation. If there is no Indian Child Welfare Program, how will we insure the preservation of our important tribal resource, our children?

SUMMARY OF NEW FUNDING ITEMS REQUESTED:

| | |
|---|---|
| REGULATION OF COMMERCIAL FISH ACTIVITY: | $ 40,000.00 |
| CONSTRUCTION OF A NEW FISH HATCHERY BUILDING: | $248,400.00 |
| FIVE-YEAR FORESTRY DEVELOPMENT PLAN: | $ 93,750.00 |

## STATEMENT OF CHAUNCEY SIMPLICIO, GOVERNOR, PUEBLO OF ZUNI

As Governor of the Zuni Tribe I thank you for this opportunity to submit a written statement on behalf of the Tribe to this Subcommittee regarding the struggle we are having acquiring the lands for Zuni Heaven. I wish I could appear personally, but the limited financial resources of the Tribe prevent me from traveling all of the way to Washington D.C. I am asking for your continued help in acquiring the private lands in our sacred Zuni Heaven.

Specifically, I respectfully request that you amend the F.Y. 1986 Interior Department Appropriations Act to read as follows:

During fiscal year 1986, and within the resources and authority available, gross obligations for the principal amount of direct loans pursuant to the Indian Financing Act of 1974 (88 Stat. 77; 25 U.S.C. 1451 et seq.,) shall not exceed $16,300,000: Provided, That notwithstanding section 102 of the Indian Financing Act of 1974, as amended (25 U.S.C. 1462) and regulations restricting the purposes for loans under that Act, the Secretary [may] is hereby directed to immediately make a loan under title 1 of that Act to the Zuni Pueblo for the acquisition in trust for the Pueblo of private lands in the area known as Zuni Heaven in an amount not to exceed $1,470,000; Provided further that the United States secure a lien in the amount of the principal and interest of the loan upon any net recovery the tribe may receive from any final award of judgment against the United States which may be rendered in favor of the Zuni Indian Tribe in Docket Numbers 161-79L and 327-81L presently pending before the United States Claims Court.

This amendment does not require an additional money, but directs the Secretary of the Interior to make a loan to the Zuni Tribe after securing the loan with a lien upon the net recovery of any final award of judgment against the United States in pending litigation. The lien is authorized by section 6 of the Act of August 28, 1984, 98 Stat. 1533 (Public Law 98-408) which reads in part as follows:

> The Zuni Indian Tribe may encumber its interest in said dockets in order to acquire the lands described in section 3.

I have attached for your convenience a copy of the Act of August 28, 1984, 98 Stat. 1533 (Public Law 98-408).

Officials of the Bureau of Land Management in concert with officials of the State of Arizona worked quickly and efficiently pursuant to Section 2 of that Act to acquire and transfer in trust for the Zuni Indian Tribe all state and federal lands in the Zuni Heaven area. Those transfers are now fully completed.

Section 3 of that Act authorizes the Secretary of the Interior and the Zuni Indian Tribe to acquire the remaining private lands in Zuni Heaven. During the Senate Select Committee hearings on S.2201 which became the Act of August 28, 1984, I testified that the Tribe would purchase the private lands in the Zuni Heaven area with its own money, but I said that the tribe would need to find ways to finance the purchase of the private lands. At that time the Tribe did not have any funds, but we were expecting to receive money from several sources. I told the Senate Select Committee that these funds would probably come from one or all of the following sources: (1) Claims against the United States pending before the United States Claims Court in Dockets 161-79L and 327-81L; (2) Revenue from oil and gas exploration on the Zuni Indian Reservation; and (3) Revenue from leases or coal resources underlying the Zuni Indian Reservation.

Zuni tribal elders were concerned that because the exact location of Zuni Heaven had been revealed to the general public, private lands in Zuni Heaven could be purchased by other people who might not want us to use the land that rightfully should be ours. After talking with congressional staff and the B.I.A., we all decided that the tribe should try to purchase the private lands under contract as soon as possible and obtain some sort of financing to pay off the balance since we didn't have the cash to buy it outright.

Mr. John Fritz, the then Acting Assistant Secretary of the Interior told us that the Tribe did not qualify under the B.I.A.'s Revolving Loan Fund. He suggested that the Tribe ask Congress for special authorizing language in the Appropriations Act for FY '86 to qualify the tribe for a loan from the Bureau of Indian Affairs from the Revolving Loan Fund. I testified at the joint hearings of the Appropriations Committees of both the Senate and the House regarding the need for the Zuni Tribe to obtain a loan from the Bureau of Indian Affairs for the purchase of Zuni Heaven lands.

Relying upon the prospects of leasing oil and gas lands, the Zuni Indian Tribe entered into three separate real estate contracts for the purchase of private lands in Zuni Heaven amounting to $2,686,660. Subsequently, oil and gas prices fell dramatically with the oil and gas exploration companies advising the tribe that they were curtailing domestic oil and gas production until prices rebounded from the "oil glut". A loan from the B.I.A. was the only viable alternative.

Congress granted the Zuni Tribe's request for financing by including in the Interior Department Appropriations Act for fiscal year 1986 the following language:

> During fiscal year 1986, and within the resources and authority available, gross obligations for the principal amount of direct loans pursuant

> to the Indian Financing Act of 1974 (88 Stat. 77; 25 U.S.C. 1451 et seq.,) shall not exceed $16,300,000: Provided, That notwithstanding section 102 of the Indian Financing Act of 1974, as amended (25 U.S.C. 1462) and regulations restricting the purposes for loans under that Act, the Secretary may make a loan under title 1 of that Act to the Zuni Pueblo for the acquisition in trust for the Pueblo of private lands in the area known as Zuni Heaven in an amount not to exceed $1,470,000.

Additionally, there is report language which states the following:

> Permits the award of $1,470,000.00 for loan to the Zuni Pueblo instead of no funds as proposed by the House and an unspecified amount as proposed by the Senate.
>
> The managers agree that the Zuni Pueblo must be able to demonstrate to the satisfaction of the Secretary the ability to pay the loan prior to any loan approval.

Following the passage of the Interior Department Appropriations Act the tribe met with th Assistant Secretary of the Interior, Mr. Ross Swimmer, in Washington, D.C., on Wednesday January 15, 1986. Mr. Swimmer said that he did not feel that the Tribe had any demonstrate ability to repay the loan and consequently the tribe failed to qualify for the loan. The Zuni Tribe wa extremely disappointed, since they had followed the advice of the B.I.A. in trying to obtain th necessary language requested by the B.I.A.

The intent of the Public Law 98-408 has been frustrated because the private lands have nc been acquired for Zuni Heaven. The Zuni Tribe suggests the amendment language of the F.Y. 198 Interior Appropriations Act would solve the problem. The B.I.A. loan can be repaid from claim judgments, with the understanding that the private lands would be held by the B.I.A. as collatera until the loan is fully repaid.

Zuni people pride themselves in being self-sufficient. We have rendered service to th United States from the very beginning. My people have always been known for their hospitality t weary pioneers and soldiers. We have served in all the wars this country has been involved i since 1848. I served in the Second World War. Zuni smoke-jumpers have responded to the cal for help to fight forest fires all over the western United States. It is difficult for my people to b forced to request your help, but Zuni Heaven is so sacred and important that I must ask you fo this financing. We will pay it back as soon as we can, but in the meantime we can keep faith witl the ranchers and protect the land for future generations.

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## STATEMENT OF JOSEPH B. DELACRUZ, CHAIRMAN, QUINAULT INDIAN NATION

The Quinault Indian Nation, situated on the Pacific Coast of the Olympic Peninsula in Washington State, relies on the renewable forestry and anadramous salmon fisheries for subsistence and commerce. The priority concerns for the Quinault Indian people are the development of these resources to commercially profitable harvest levels and the strengthening of Tribal government operations to effectively deliver services to Tribal membership. Human resource services are essential to our nation's future.

The FY87 appropriations and the treatment of Tribal governments under the Gramm-Rudman sequestration process will be the crucial test of Congressional commitment to American Indian Tribes. Tribal governments have sustained ever-increasing appropriations' reductions since 1980. The consolidation of Federal programs into State formulas completely ignored Tribal governments. The FY86 Gramm-Rudman reduction of 4.3 percent affected Tribal operations across the spectrum of Federal resources. The proposed administration budget continues past attempts to abolish effective programs and cripple resource development. The next Gramm-Rudman sequestration, if applied to Tribal operations will reverse the self-determination philosophy and force massive contract retrocessions.

I urge this committee to give top priority in FY87 to Tribal government operations and direct services to American Indian people. This will require a restoration of these BIA/IHS Tribal operations to FY85 levels. And, the exemption of Tribal government operations and essential direct services to those Indians threatened by hardship or health factors by excluding these budget functions in the definition of "program, project, and activity." We are here today because Tribal governments have binding treaties with the United States. It is only logical that local Tribal government budgets and the essential direct services be spared from further reductions. The current recission in IHS and proposed reductions for FY87 in IHS can only be described as mean-spirited.

For the Quinault Indian Nation, my request focuses on forestry, fisheries, economic development, human resource development, and Taholah School District High School construction needs as our primary concerns within the context of continued Tribal government operations and development.

FORESTRY: A critical examination of the BIA's FY 1987 Natural Resources Development Budget reveals the BIA will achieve a $2.5 million overall reduction by reducing Forest Development Add-on appropriations, from their FY 1986 level of 8.15 million to 2.0 million by line item transfer of $2.4 million to Tribal-Agency money and removing $3.75 million from the budget. Historically, the Tribal Forestry Programs receive almost their entire allocations from Forest Development Add-On appropriations while Tribal Agency money is used for Agency Forestry programs. The Quinault Indian Nation must protest this budget recommendation which places the entire burden of Gramm-Rudman spending requiements on Tribal Forestry Programs and has led one local Agency official to suggest the Quinaults prepare for over a 40 percent reduction in Forestry P.L. 93-638 contract money. Within this same budget recommendation, BIA Area and Central Offices proposed budget increases of 36 percent and 84 percent, respectively. The Quinaults find the BIA recommended FY 1987 Natural Resources Development budget contrary to the purposes of self-determination and the goal of self-sufficiency for the Quinault Indian Nation and other Indian Tribes while protecting, if not increasing, the BIA institutionalized bureaucracy.

Therefore, Quinault Indian Nation respectively requests the Committee to once again resist program reductions and restore the forest contracts to their FY 1986 budget levels and to place the burden of budget reductions on BIA Portland Area Office programs --which have increased an average of 11.5 percent a year,---and the local BIA agency forestry programs---which have increased 2.2 percent a year, while Quinault Forestry contracts have decreased an average of 2.4 percent per year.

FISHERIES: Again, the BIA recommended Natural Resources Development Budget for FY 1987 attempts to place the burden of Gramm-Rudman cuts on Tribal fisheries programs. By transfers and budget manipulations, the BIA recommended budget for FY 1987 would reduce tribal operations for fisheries management and hatcheries operations and maintenance by an estimated 17 to 25%.

The Quinaults respectively request the Committee restore the funding for Quinault Fisheries programs to their FY 1986 level of $1.6 million of which $1.059 million is to be directed to Fisheries Management and Hatchery Operations and Maintenance. This will also require the restoration of the proposed reduction of $347,000 for hatcheries O&M, nationwide, to FY 86 levels. Unfortunately the BIA misnamed this as a "Congressional add-on" when, in fact, Congress restored these funds from a proposed FY 86 administration reduction to FY85 levels.

The Quinault Indian Nation continues to serve a major role in the development of management plans and principles for treaty and non treaty ocean and river fisheries. The development of coordinated and comprehensive management plans and agreements remains a priority to Tribal leadership. To this end, we again request $95,000 to operate the Quinault Technical Management Coordination Center which can provide technical assistance -- creating and maintaining the necessary data base, developing shared understanding and agreement on management goals and policies, preparing long-term harvest management and production plans, and providing an ongoing coordinative function between the various Federal and State agencies, interest groups and Tribal Fisheries --- all of which are so critical to the overall management of Northwest Fisheries.

Somewhat related to this request for funding the Quinault Technical Management Coordination Center, we oppose the $400,000 reduction from the BIA's U.S./Canada Pacific Salmon Treaty Appropriation so vital to Northwest fisheries management and request restoration to the $1.4 million FY 1986 level.

In addition, for enhancement purposes, we seek $1.8 million for the development of a Queets River Salmon Hatchery. Since 1981, the Queets River has been largely responsible for the restrictive level of harvest for Coho by the Pacific Fishery Management Council, based on the analysis of run size data to spawning escapement goals relative to other coastal runs. A new hatchery facility on the Queets is needed to carry out this program, to reduce losses due to handling and rearing at facilities located elsewhere, to minimize straying of adult fish to other systems, and to prevent the further spread of dangerous fish diseases into the Queets River System.

**BUSINESS DEVELOPMENT**: The Quinault Indian Nation is aggressively pursuing business development strategies to benefit the Tribal and area economy. Recent developments include an agreement with Washington State to complete the coastal highway SR109 through the reservation, water/sewer improvements for business/residential infrastructure, and expansion of the product line of the Quinault Tribal Enterprise fish processing operation to include production of a retort pouch fish product (vacuum packed smoked fish in aluminum pouches).

The retort pouch fish product line will creat 18 full time jobs and offers excellent market expansion opportunities. To maximize on this product potential, the Quinault Nation is seeking a $200,000 commitment from the BIA revolving loan fund.

Secondly, we are requesting that this Commitee recommend to Congress that the BIA earmark $250,000 for preliminary studies and feasibility studies concerning the development of a milling operation on or near the Quinault Indian Reservation, an associated exploration of the export market for our forest products, and to explore joint venture opportunities. The objective of such projects would be to allow the Quinaults to capture the economic benefits of value-added processing of Quinault Reservation timber resources, which are presently going to off-reservation interests.

Finally, the Quinault Indian Nation recognizes the importance of private sector development to our Reservations's economy and its stabilization. In order to promote and encourage economic enterprises by Quinault Indian individuals, partnerships, and majority controlled corporations, we request $250,000 be made specifically available for business development on the Quinault Indian Reservation during FY 1987.

**HUMAN RESOURCE DEVELOPMENT**: The development of the Quinault economy, the management of our resources, the development of institutions for self-governance are meaningless without the development of the individual and of a family structure which can respond to and overcome contemporary social problems. Only through the development of the human infrastructure can the Quinault Nation develop and achieve self-sufficiency.

The budget recommendations of the BIA and IHS for FY 1987 include reductions and eliminations of programs which are already stretched to their limits. We adamantly oppose the proposed transfer of JOM to the Department of Education and State jurisdiction as simply another scheme to abolish Tribal control of this effective program. Quinault contracting for higher education and adult education under P.L. 93-638 continue to sustain reductions to levels of limited effectiveness. Our total adult education program is at $2,500 and although BIA social services appropriations has increased by over 20%, our Tribal BIA contract remains at the 1980 level of $27,300. Quinault social services, including family support programs, simply need increases to maintain services for 291 family members and 81 foster children. And, IHS FY86 recissions and FY87 reductions must be restored to FY86 levels to offer the essential services to Indian people.

**TAHOLAH SCHOOL DISTRICT HIGH SCHOOL CONSTRUCTION:** The Taholah School District within the Quinault Reservation boundaries offers elementary education for grades K-8 while our students attend North Beach High School South of the reservation or BIA boarding schools for grades 9-12. The North Beach School District is moving its high school facilities much further South, not to include Quinault students, resulting in the Washington State Board of Education authorizing a high school at Taholah. As the District is within the reservation on Federal trust land, there is no adequate tax base for the necessary bond issue for construction funding.

School construction funding is authorized through P.L. 93-638 Part B, Section 204. Although rarely utilized, we appeal for committee and Congressional funding for high school construction due to the impending move of currently utilized facilities, the substantial distance from the reservation of new facilities, the major reductions in P.L. 91-815 school construction funding, and the existing backlog of pending applications for Indian school construction needs. The construction funding options within the time constraints are:

| | FY87 | FY88 | FY89 |
|---|---|---|---|
| Schedule A | $6,075,000 | | |
| Schedule B | $4,840,000 | $1,235,000 | |
| Schedule C | $ 225,000 | $4,615,000 | $1,235,000 |

## STATEMENT OF WALTER JACKSON, CHAIRMAN, QUILEUTE INDIAN TRIBE

The Quileute Indian Tribe, located at the mouth of the Quileute River on the Pacific Coast of the Olympic Peninsula, manages a net fishery and limited ocean commercial fisheries for seven stocks of Steelhead, Chinook, and Coho Salmon. The natural river harbor serves a local Coast Guard Station, an active commercial/recreational boat mooring, and offers future economic development potential. The Tribal residential population relies primarily on commercial fishing and ocean-related support industries for employment. A limited commercial and recreational fisheries has created unusually high unemployment for our small, isolated Tribe this past year.

The Quileutes have particular needs for support in fisheries, law enforcement, Tribal government operations, and social/health services. The BIA multi-Tribal Olympic Peninsula Agency and the

Portland Area Office have obvious budget constraints impeding their capacities. Limited access to services and resources in our isolated location has developed increasing frustration for Tribal leadership. Hopefully, the transfer of appropriations to the Tribe/Agency level will increase Tribal options for self-determination contracting and increased services.

We request that the Interior appropriation subcommittee and Congress give very serious consideration to at the least exempting Tribal government operations and direct services to further sequestration reductions in FY87 under the Gramm-Rudman legislation for the BIA. The Gramm-Rudman cuts hit all Federal agencies and thus all Federal resources tribes have utilized. At least two Federal resources in the BIA and IHS should be sheltered as a reliable resource. At least 25 percent of the appropriations to Tribal governments are still being withheld by the BIA going into the sixth month of the fiscal year. How can Tribes be expected to manage effectively and retain professional staff under such unstable conditions? A small Tribe such as Quileute is being tested to the extreme.

The Quileute River, six miles long from the mouth to the confluence of the Bogoschiel and Soleduck Rivers, is co-managed by Tribal and State technicians for mixed stock of anadramous salmon. The Quileute River serves as a data management fishery to determine harvest levels of Pacific Coast commercial/recreational fisheries. With additional responsibilities for data-gathering and analysis to effectively implement the U.S.-Canada Salmon Treaty, the Tribe requests committee consideration of establishing a Technical Services Division to improve Tribal long range planning and technical cooperative management with Federal/Regional/State/Tribal and International management entities. The required technicians, supplies, equipment, and subcontracts total $97,500.

In conjunction with the U.S.-Canada treaty, the Quileute River anadramous fisheries data serves an an essential yardstick for the various management regimes. A fisheries program of four elements is proposed for one-time funding of $231,000 to include:

1) Anadramous escapement validation ($78,000)
2) Swede Hale Summer Chinook adult collection and escapement estimation in cooperation with the Fish and Wildlife Service ($40,000)
3) Togging studies on Spring/Summer Chinook in cooperation with the Washington Department of Fisheries and Northwest Indian Fish Commission ($12,000)
4) Small outmigration trapping to determine migration patterns ($30,000)
   Contract support ($35,000)

A complete description of this project, including justifications for program elements and costs, are included for subcommittee consideration.

The on-reservation Lonesome Creek Hatchery, serving the entire Tribal hatchery program for egg-gathering/incubation and initial rearing operations, produces a capacity 50,000 yearling Coho and Steelhead. Proposed facility renovation and construction could feasibly expand production to 150,000 yearling fish to the benefit of Tribal, ocean commercial/recreational, and river sport fisheries. The construction activities would include building a 40 foot diameter rearing pond; channelize a stream section for adult salmonid holding pond; erect two diversion dams; purchase two portable raceways; and, construct a water collection/mixing structure at a one time construction cost of $231,500.

The off-reservation Swede Hole Rearing Pond, currently utilized to rear up to 500,000 Chinook fingerling, is proposed for major renovation to accommodate up to one million fingerling at a one time cost of $224,000. Construction includes site excavation and building of an access roadway/dike preparation of an overflow maintenance valve system, and the purchase/installation of bird netting.

The administration has proposed again an appropriation reduction of $347,000 for BIA Tribal hatcheries O&M programs in FY87. These hatchery programs produce almost one-fourth of the salmonid released in Washington State for all user groups, Indian and non-Indian. We request committee restoration of this proposed reduction and the recognition that last year's committee action was a restoration to FY85 levels and not a "Congressional add-on" as identified erroneously in the administration's FY87 budget justification.

**LAW ENFORCEMENT:** As reported to the subcommittee last year, the Tribe currently receives no BIA support for law enforcement and spends $35,000 of its own resources to maintain a minimum law enforcement capability with part time officers and used equipment. The Tribe is caught in the classic administrative vacuum as the BIA claims the Tribe is subject to P.L. 280 local jurisdiction and the local county assumes no jurisdiction for the Tribal population residing on 220 acres rightfully restored to the Tribe by the National Park Service. Recent lawless activity on the reservation by non-Indians threatening physical harm took the BIA eight hours to respond. The Tribe is extremely vulnerable. Is there some level of violence necessary, including physical harm, before someone takes note of the isolated Quileute law enforcement needs?

In December, 1985 the Quileute Tribe submitted a law enforcement proposal to the BIA of $153,000. The BIA Agency referred us to the Portland Area Office, the Area Office referred us to the Central Office, and in classic BIA fashion the Central Office referred us to the Area Office. Finally, our request was denied.

We request subcommittee instructive language to address the Quileute law enforcement situation with the possible addition of $153,000. This amount would breakdown as follows:

| | |
|---|---|
| $80,400 | Salaries and Fringe Benefits for a Police Chief, two Patrolmen, a dispatcher, and part-time judge |
| $11,400 | Travel and police academy training |
| $ 8,000 | Supplies including vehicle operation/maintenance |
| $ 9,600 | Program support costs including detention expenses in area facilities |
| $19,500 | Capital expense including a vehicle, hand held radios, and a base station |
| $24,300 | Indirect at 22.2% less capital expense |

There is simply no way the Tribe can attract private enterprise to the reservation unless the minimum of police protection is provided.

**TRIBAL GOVERNMENT OPERATIONS:** We request that the committee restore the small Tribal Core Management Grant program to FY86 levels with consideration of a sizeable program increase to at least provide each small Tribe with some core management support. Small Tribes with current limited business development operations need targeted assistance. We competed for this program in FY86 and our application was rejected. By virtue of our losing in the competition, we should have been given every consideration for support. However, the system works inversely. In this same issue, we respectfully request that the BIA be instructed to fund **only** small Tribes through this most beneficial program.

Special attention should also be given by the committee to the problemmatic issue of contract support funds or indirect costs. Our Tribe has faithfully negotiated rates with the Inspector General which fluctuate annually. The BIA CSF available seems to only continue to be reduced. Conflicts between program requirements and negotiated rates have begun to create rather complex and potentially expensive accounting trade-offs.

SOCIAL AND HEALTH SERVICES: The IHS direct services to Quileute include a full-time garbage collection operation and a visiting dentist one Sunday per month. Our water/sewer system has deteriorated to levels requiring constant attention. There are neither doctor services nor even para-medical attention provided directly to the Quileute Tribe. We would appreciate some visible concern by IHS.

The Indian Child Welfare Act program, finally being accepted by the Tribal membership, is scheduled to be reduced this year by over 50 percent due to Gramm-Rudman. And the CHR program which supports our garbage collection operations, has been extensively curtailed by this administration under an FY86 recission request and is scheduled for complete abolishment in FY87. We request a restoration of these proven successful programs to FY86 (pre Gramm-Rudman sequestration) levels and given some shield of protection from further cuts. Effective programs are simply being destroyed.

The Quileute Reservation, geographically isolated, has virtually no available housing for either purchase or rental. Based on an FY84 survey of existing housing needs, the Tribe is requesting administrative consideration of sixty-six rental/purchase units to meet Tribal membership shelter needs.

Five Winter storms, generating gale winds over 90 mph have damaged existing dwellings creating an unusually high demand for HIP assistance. Although actual housing needs will be addressed through HUD appropriations, a need for repair resource through HIP is critical.

The Quileute Tribe opposes the transfer of JOM to the Department of Education. JOM through the BIA offers the only real Indian parental leverage in the public schools to ensure an effective education. This program provides the only real flexible financial resource to assist our teenagers cope and succeed in the educational process. Transfer into the Education bureaucracy will simply kill the JOM unique effectiveness.

In closing, we thank the subcommittee for its time and consideration of issues and concerns expressed by the Quileute Indian Tribe. Tribal governments are unique to the Federal system. In this period of transition to self-sufficiency, we request that appropriations to Tribal governments be maintained.

## STATEMENT OF LARRY CALICA, ACTING SECRETARY-TREASURER, CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION OF OREGON

Mr. Chairman, I am Larry Calica, Acting Secretary-Treasurer for the Tribal Council of the Confederated Tribes of the Warm Springs Reservation of Oregon. I request that the Indian Health Service pilot alcoholism treatment program at Warm Springs be continued, that the Bureau of Indian Affairs Forestry budget for eliminating the forest development backlog be increased by $ 3.75 million, restoring it to the level set in FY 1985, and that the proposed transfer of the Johnson-O'Malley education program from the Bureau of Indian Affairs to the Department of Education not be carried out.

One of the programs that is of great significance to us at Warm Springs is the pilot alcoholism treatment program. Since the program's start in 1985, the results have been positive. This program has demonstrated clearly the commitment of the federal and Tribal governments to this illness. The initial returns on this commitment indicate that more people are seeking treatment and individual client profiles show improved productivity and better family relationships. The Tribal support of this effort by matching two dollars for every federal dollar underscores our commitment. We invite and encourage the continued support of the federal government. It is our understanding that the federal amount of $125,000 is included in the FY 1987 I.H.S. proposed budget for alcoholism, but it is not specifically identified. We just wish to assure that the program continue intact.

Now, moving on to forestry, the Warm Springs Reservation has 315,000 acres of commercial forest land. Its annual allowable cut of 100 million board feet is our Tribes principal source of income and generates hundreds of jobs both on the reservation, where we have our own sawmill and plywood plant, and in the nearby communities. The maintenance of this renewable resource is of vital concern to us. We are particularly concerned with how this long term trust asset is being managed by our trustee, the Bureau of Indian Affairs.

At Warm Springs, we are continuing to work cooperatively with our trustee. We believe that our unified efforts are moving the management of our present full production forest to a level of adequate long term management. However, there is still significant acreage on our reservation that bears the consequences of earlier years when the federal government took a considerably more lax attitude toward its responsibilities for maintaining and protecting our forest asset. The drastic cut that is being proposed to the Forest Development backlog reduction program will, we believe, greatly extend the period of time it will take to correct these errors and bring our forest into full production.

Today, according to our records, a backlog of approximately 9% of our existing commercial forest acreage remains out of full production. Of the original 77,000 acres in need of both thinning and reforestation, 28,000 acres, most of which requires reforestation, are still in need of intensive forest management. If funding is restored to its FY 1985 level, it would still take, according to the B.I.A., about fifteen years to complete the program.

The Forest Development backlog reduction efforts at Warm Springs have been principally accomplished through the Forest Development "add-on" money annually appropriated by Congress since 1977 ,and which originally was targeted to have the backlog cleared up by FY 1987. Even at the enhanced funding level established in FY 1985, it will take until the year 2001 to bring the B.I.A.'s treatment backlog in the Warm Springs forest back into proper, prudent state-of-the-art management. Mr. Chairman, I cannot understand our trustee's proposition of drastically reducing the funds directed by Congress to correct a woefully mismanaged trust asset. Therefore, Mr.Chairman, we request that the Forest Development program be maintained at its full FY 1985 - 86 level.

On the matter of Johnson-O'Malley, I must admit that I am unable to put much faith in the Administration's word that it wants to transfer J.O.M. to the Department of Education simply to streamline the delivery of education services to Indian children. Just last year, it was the Administration's proposal to do away with Johnson-O'Malley altogether. Now, they want to transfer it, but claim that such a switch would need new authorizing legislation. To our knowledge, no such legislation has been circulated for Tribal review, and the one brief comment in the Budget Appendix suggests that the bill would provide that the newly combined J.O.M. and Title IV funds would be distributed to the states rather than to the Tribes, where J.O.M. funds now go. But irrespective of the contents of any legislative proposal to transfer Johnson-O'Malley,there would be no authority to implement the new combined program in the Department of Education until such a new authorizing bill was passed and signed into law. So, if the J.O.M. funds are dropped from the B.I.A. budget before a new authorizing law is enacted, those funds would, in effect, disappear.

For us at Warm Springs, we are pleased with the Johnson-O'Malley program as it is now. We see no advantage in moving it. Mr. Chairman, I would request that the Johnson-O'Malley education program be left where it is now - in the B.I.A. - and that it be left at its full funding.

## STATEMENT OF MICHAEL CLEMENTS, PRESIDENT, INTERTRIBAL TIMBER COUNCIL

Mr. Chairman, I am Mike Clements, President of the Intertribal Timber Council. I am presenting this statement to request the restoration of $3.75 million to the Bureau of Indian Affairs Forestry program's special Forest Development account and the retention of that activity as a separate component of the Forestry program's budget.

The Intertribal Timber Council was formed in 1976, and today has a membership of 41 Tribes whose commercial forest lands comprise most of the approximately six million commercial acres under B.I.A. trust management. These lands sustain an annual allowable cut of one billion board feet, which supports a B.I.A. estimated 10,000 jobs on and around their reservations. Clearly, the Indian forestry resource is one of the principal elements of reservation economies today, and one of the few significant renewable resource available to the Indian people.

In FY 1985, after a Congressional review found the B.I.A.'s Forestry program severely deficient, a vitally needed appropriations increase was instituted to assure that the B.I.A. could meet its trust responsibility for the proper management of Indian forests. Included in that adjustment was an increase in the special Forest Development backlog reduction program, which, although originally intended to be completed in FY 1986, was extended with a new completion target of the early to mid 1990's. For FY 1986, Congress sought to maintain those efforts, despite the Administration's proposal to reduce them. Now, for FY 1987, the Administration has once again selected the B.I.A. Forestry program, and in particular the Forest Development backlog reduction program, to bear a lion's sized portion of the federal deficit reduction scheme.

Mr. Chairman, deficit reduction is an unfortunate fact of life these days. We recognize that it is a difficult situation which we all must share together. However, when "sharing" amounts to shouldering a gross preponderance of the B.I.A.'s budget cuts, we feel that an objection must be raised.

The $3.75 million cut alloted to the special Forest Development program for eliminating the backlog of federally mismanaged Indian forests represents the largest cut to any program in the B.I.A. Operation of Indian Programs. Using FY 1986 appropriations figures including the 4.3% Gramm-Rudman cuts, the $3.75 million cut in Forest Development is about a 12% reduction in the entire Forestry budget for FY 1987. It is a 44% cut to the Forest Development program itself.

Why an Administration that espouses Tribal economic development should choose one of the Tribes' principal renewable trust resources for its harshest cuts is difficult to understand. The Administration's proposed cut will further delay the elimination of the Forest Development backlog, costing the timber Tribes millions of dollars in unrealized income for many years into the future.

In FY 1985 Appropriations hearings, the B.I.A. acknowledged that, if funded at a level slightly more than that proposed for FY 1987 by the Administration, the mismanagement backlog reduction would not be completed until sometime "into the next century". The approximately 500,000 acres still untreated represent nearly 8% of all commercial Indian forest lands. In fact, with the movement of $2.4 million out of the special backlog reduction account to the new Tribe-Agency Operations account, all of which is subject to Tribal priority setting, it is possible that only the $2 million left in Forestry could remain dedicated to the elimination of the backlog, which would be coming very close to having no program at all.

With respect to the new Tribe-Agency Operations account, on the behalf of the Intertribal Timber Council, I request that the $2.4 million in special Forest Development backlog reduction funding transferred to that account be returned to the Forestry program. On general grounds, the creation of the new account is being done with no Tribal consultation. In a time when there is tremendous downward pressure on the budget, the implications for such a change could be significant to the Tribes, particularly when funding for trust functions is being included. The portion of the backlog reduction funding included in the new account will lose its separate identity in future years. The federal government could be able to sidestep its obligation by saying that it is up to the Tribes to decide how to use those funds, and if the Administration proposes reduced budgets, the Tribes will be forced to chose between the insufficiencies, further enabling the B.I.A. to avoid owning up to its trust responsibility failures. By taking a portion of the backlog reduction funds into the Tribe-Agency Operations account, the timber Tribes believe they are being forced to accept responsibility for clearing up the B.I.A.'s history of mismanagement of Indian timber. We believe it is a reduction of the federal trust responsibility, and in any event, the Tribes do not want to be handed a program that has been cut in half. The B.I.A. must continue to be held accountable for the correction of its past mistakes, so we request that the special Forest Development backlog reduction account be returned to the Forestry program where it can be identified as the separate, special purpose trust responsibility program that it is.

Mr. Chairman, the hugely disproportionate cut taken in the B.I.A. Forestry program and the shifting of a portion of the backlog reduction funds over to being a Tribal responsibility in the Tribe-Agency Operations account are unsettling. It is particularly disturbing that the Administration has decided to attack the one significant Indian resource that holds long term promise for many Indian people, and which also requires proper care and management today in order to bear out that promise in the years ahead. So, I am here today to request that Congress not accept these proposals, and instead, restore the $3.75 million for Forest Development and keep that special program unified within the Forestry budget.

## STATEMENT OF S.E. REYNOLDS, SECRETARY, NEW MEXICO INTERSTATE STREAM COMMISSION

This statement is submitted in support of appropriations to the Bureau of Indian Affairs (BIA) to continue construction and operation and maintenance of the Navajo Indian Irrigation Project (NIIP) which, in recognition of the obligation of the United States to the Navajo Tribe, was authorized in 1962. The project, located in the northwestern corner of New Mexico, will furnish water for the irrigation of 110,630 acres of land and will provide a higher standard of living for 33,000 Navajos.

Previous problems concerning water delivery capacity, productive acreage and on-farm management have apparently been resolved. Therefore, construction of the project works should now proceed expeditiously and efficiently.

After 24 years the project is only 44% complete. An appropriation of at least $10.1 million can be effectively utilized in the fiscal year (FY) 1987 BIA appropriation to award contracts in FY 87 to complete Block 6 facilities and to prepare designs for facilities for Blocks 7 and 8. Block 8 facilities include the Gallegos Pumping Plant and the Burham Lateral. I urge that at least $10.1 million in construction funds be included in the FY 1987 BIA appropriation for the project.

The FY 1986 budget for BIA includes $4.4 million for operation and maintenance of the project facilities. I fully support an appropriation of this amount in the FY 1987 BIA appropriation.

The 1868 Treaty between the United States of America and the Navajo Tribe of Indians provides that any Navajo being the head of a family and desiring to commence farming shall have the privilege to select 160 acres in the Navajo Reservation to be held in the exclusive possession of the person selecting it and of his family so long as he or they continue to cultivate it. The treaty further provides that any person over 18 years of age not being the head of a family may in a like manner select and hold 80 acres within the reservation for purposes of cultivation. The Treaty further provides that the Navajo head of a family is entitled to receive seeds and agricultural implements to help him get started in his farm enterprise. Even a casual examination of precipitation records shows that irrigation is essential if these Treaty provisions are to be given effect of much significance.

The law which authorized the Colorado River Storage Project in 1956, Public Law 84-485, explicitly recognized that assistance to the Navajo Tribe in the form of an Indian irrigation project is the responsibility of the entire nation. The Navajo Indian Irrigation Project was authorized in 1962 by Public Law 87-483 to meet the obligation implied in the 1868 Treaty and explicitly recognized by the Colorado River Storage Project Act.

The desperate needs of the Navajo Tribe have been the subject of much concern to the people of the United States. Construction of the Navajo Indian Irrigation Project could do much to alleviate the grinding poverty suffered by the 150,000 people of the nation's largest Indian tribe.

When completed, the Navajo Indian Irrigation Project will have a profound effect on the economic and social life of the Navajo Tribe. Not only will many Navajo people be employed directly in the farming activities, there will also be substantial opportunities for employment of additional Navajo people in the agri-business and service and supply activities associated with the farming operation. The workers and their families will require housing, schools, police and fire protection, and all the services connected with daily living. This will furnish employment for many others.

Funds to initiate construction of the project were first appropriated for FY 1963 and the construction schedule called for the delivery of the first water on the lands in 1970. With the initial delivery of water to the first 10,000 acres delayed until 1976, the most realistic goal now is the addition of one-half to a full block of about 10,000 acres each year until the project is completed. Facilities to serve Blocks 1 through 5 have been completed and irrigation water was provided all five blocks in the 1985 crop year. Facilities have been completed to serve only about one-half of the acreage in Block 6.

No additional major construction was scheduled for FY 1983 and FY 1984 because of a difference between the Bureau of Reclamation and the Bureau of Indian Affairs on the appropriate delivery capacity of the works and the amount of productive acreage to be developed, and because of the Office of Management and Budget's concern about the capability of the BIA and the Navajo Tribe to subjugate and properly manage additional acreage at this time. The problem of water delivery capacity and increased productive acreage has been resolved by written agreement between the Interior Assistant Secretaries for Land and Water Resources and Indian Affairs. The problem of on-farm management has been studied by a management task force appointed by BIA. The task force report was submitted to the appointing official in December 1981. In April 1982 a task force appointed by the Assistant Secretaries for Land and Water Resources and Indian Affairs reported and a supplemental report was submitted in December 1982. Both reports were positive. Therefore, construction of the project works should now proceed expeditiously and efficiently.

After 24 years the project is only 44% complete. An appropriation of $10.1 million can be effectively utilized in the FY 1987 BIA appropriation to award contracts in FY 88 to complete Block 6 facilities and to prepare designs for facilities for Blocks 7 and 8. Block 8 facilities include the Gallegos Pumping Plant and the Burnham Lateral. I urge that at least $10.1 million in construction funds be included in the FY 1987 BIA appropriation.

The FY 1986 budget for BIA includes $4.4 million for operation and maintenance of the project facilities. I fully support an appropriation of this amount in the FY 1987 budget.

The opportunity to present my views on appropriations to the Bureau of Indian Affairs for the urgently needed Navajo Indian Irrigation Project is sincerely appreciated.

## STATEMENT OF GERALD R. ZIMMERMAN, EXECUTIVE DIRECTOR, UPPER COLORADO RIVER COMMISSION

**The Upper Colorado River Commission is an interstate administrative agency created by the Upper Colorado River Basin Compact of 1948. The Commission represents the States of Colorado, New Mexico, Utah, and Wyoming in matters pertaining to the development, utilization, and conservation of water resources of the Upper Colorado River Basin.**

**Mr. Chairman, the Commission appreciates the opportunity to support the appropriation of funds to continue the construction of the Navajo Indian Irrigation Project during Fiscal Year 1987.**

**The Navajo Indian Irrigation Project is in Rio Arriba and San Juan**

counties in northwestern New Mexico. It will provide for the irrigation of 110,630 acres of land. A higher standard of living will be possible for more than 33,000 Navajo Indians.

This project is about 44 percent completed in terms of cost. The delay in appropriating funds for the completion of the Navajo Indian Irrigation Project defers realization of the full benefits of the funds already expended on this project and may unnecessarily increase the total cost for this project.

The statement by Mr. S. E. Reynolds, Secretary of the New Mexico Interstate Stream Commission, fully outlines the need and background basis for the continued development of the Navajo Indian Irrigation Project. The Upper Colorado River Commission supports an appropriation of $10.1 million in Fiscal Year 1987 to the Bureau of Indian Affairs to complete construction of the irrigation facilities contained in Block 6 of the project and to prepare the designs for the irrigation facilities to be contained in Blocks 7 and 8. Currently Block 6 is about one-half complete; the requested funding level for Fiscal Year 1987 will allow for completion of the irrigation facilities in that Block. The Commission further supports the appropriation of $4.4 million in Fiscal Year 1987 to the Bureau of Indian Affairs for the operation and maintenance of this project.

On behalf of the Upper Colorado River Commission, I wish to thank you for granting the Commission the opportunity to express its support for the appropriation of funds for the continuing construction of the Navajo Indian participating irrigation project under the Colorado River Storage Project Act of 1956 and the Navajo Indian Irrigation and San Juan-Chama Projects Act of 1962, as amended. In order to realize the full regional and national benefits of this project, the Commission urges you to provide the necessary funding to enable the timely completion of the Navajo Indian Irrigation Project.

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## STATEMENT OF THE PAPAGO TRIBE OF ARIZONA

On February 21, U. S. Customs Officer Glenn Raye Miles, a member of our Tribe, was shot to death while on duty alone near the Papago border with Mexico. His murder might not have occurred had the Federal government provided sufficient funding and staff for law enforcement to cope with the torrent of illegal aliens crossing the border, many of them drug smugglers. To meet the crisis, the Tribe requests an FY 1987 increase of $455,439 for BIA law enforcement, earmarked for the Papago Tribe, plus $250,000 to replace 24 vehicles.

In addition, the Tribe recommends that Congress make the following changes to the President's budget request for FY 1987 -

(1) An increase of $2,100,500 for BIA school construction to complete the Bihinol Du'ag High School;

(2) An increase of $215,000 for the Papago early childhood education program;

(3) An increase of $25,844,000 for the IHS community health representative program;

(4) An increase of $1,988,000 for the IHS tribal health management program;

(5) An increase of $24,850,000 for IHS sanitation facilities;

(6) An increase of $250,000 for the IHS, earmarked for the Papago Tribe to enable it to implement its proposed model health projects;

(7) An increase of $2,544,000 for the BIA Johnson-O'Malley program to cover contract support;

(8) An increase of $6,161,000 for the BIA housing improvement program;

(9) An increase of $2,710,000 for Indian Child Welfare Act grants;

(10) An increase of $250,000 for BIA aid to tribal governments, earmarked for the Papago Tribe to enable it to implement its new constitution; and

(11) An increase of $2,000,000 for the BIA energy and minerals program, with $400,000 earmarked for the Papago Lakeshore mine.

We urge the subcommittee to establish a policy for the allocation of health resources and to withhold its approval of the President's proposed rescission of IHS funds for FY 1986.

We support the President's request for roads maintenance.

We also recommend a FY 1986 supplemental appropriation to meet a $3,800,000 shortfall for BIA general assistance.

## EMERGENCY LAW ENFORCEMENT

The murder of Officer Miles illustrates the severe problem of manpower and vehicle shortages experienced by the Papago Police Department, the U. S. Customs Service, and U.S. Border Patrol.

The Papago Reservation spans 4,000 square miles. Roads are unpaved or unimproved. Villages are scattered throughout the reservation, all making police patrol difficult and selective. The most difficult law enforcement problems are presented by the 90 miles of international boundary bordering the districts of Chukut-Kuk, Pisinemo, and Gu Vo. Offenses and border-related activities range from cattle rustling and illegal alien entries to drug smuggling and homicide. The residents of the bordering districts have voiced concern and fear and are demanding increased law enforcement protection--a demand that cannot, under present funding, be met.

The Papago Police Department is in critical need of an increase to its current funding base to enable it to hire additional officers and to purchase 24 replacement police vehicles. The Papago Tribe has exhausted all available administrative steps, including ranking law enforcement in the top five on the tribal priority budget process, to secure an increase to its current base--without success.

It is the Papago Tribe's position that the Police program should be brought up to the minimum adequate level under the criteria contained in the "Indian Reservation Criminal Justice Task Force Analysis of 1974-75". Funds appropriated in FY 1985 to enable tribes to achieve the minimum adequate level were not allocated by the Phoenix Area Office on a needs basis to meet this Congressional objective.

The Papago Tribe proposes an additional $455,439 for law enforcement to increase the current base to $1,577,539, including the funds necessary for contract support. In addition, $250,000 is needed to replace 24 police vehicles.

## BIHINOL DU'AG HIGH SCHOOL

Education is the Papago Tribe's number one priority and as such the Tribe is committed to providing a high quality basic educational experience for its children in adequately equipped facilities.

Bihinol Du'Ag High School (Papago High School) is currently under construction. The funds appropriated to start construction were insufficient. A total of $2,100,500 is needed to construct housing for 48 boarding students ($1,198,000), 6 additional staff housing units ($'55,000), and completion of the playing field, and associated costs.

## MODEL HEALTH PROJECTS

The Papago Tribe of Arizona is dedicated to providing quality health care services for its members. The Tribe intends to utilize the 638 mechanism to the fullest extent to allow it to develop quality health care and professional technical skills for its health managers. The projects proposed are intended to begin this objective, but require a source of funding.

Community-Oriented Primary Care (COPC): This project would enhance the role of the CHRs in the community and promote preventive health activities, thereby reducing the need and use of acute care services.

Comprehensive Tribal Plan for Assumption of Health Service Delivery to the Papago People: This plan would be developed by a private health planner once funds are obtained.

Tribal Master Contracting Model: This project would develop a master contracting model to facilitate the Tribe's efforts at contracting to the fullest extent.

## EARLY CHILDHOOD EDUCATION

Again the Papago Tribe urges Congress to direct the Bureau of Indian Affairs to develop educational standards which include pre-kindergarten programs. The Papago early childhood education program currently serves 344 students. A steady reliable source of funds is necessary to continue this successful effort by the Tribe.

## AID TO TRIBAL GOVERNMENTS

The Papago Tribe has adopted a new constitution providing for separate executive, legislative, and judicial branches of government. The BIA is expected to give final approval to the new constitution shortly. The Tribe estimates that $250,000 will be needed in FY 1987 for transitional expenses associated with its constitutional reorganization.

## ENERGY AND MINING/LAKESHORE MINE

There is less to the BIA FY 1987 budget justification for minerals and mining than meets the eye. The budget for special projects shows an increase of $960,000--from $250,000 to $1,210,000. For the BIA's minerals development work, this represents a loss of $1,210,000. The $250,000 base was used in FY 1986 for special minerals assessment work. In 1987, all--or almost all--of it will be used to cover expenses associated with BIA participation in the Secretary's Task Force on royalty management. The $960,000 increase in special projects is offset by a corresponding decrease in energy and natural resources. The increase will be used to cover expenses related to oil and gas royalty and other lease payment problems, land ownership records and integrated records management. The $1,210,000 in expenses were allocated in FY 1986 to general administration and real estate services.

The Papago Tribe urges the Committee to support an increase of not less than $2,000,000 over the President's FY 1987 budget request for the energy and mining program of the Bureau of Indian Affairs. It further requests that no less than $400,000 of available funds be earmarked for an in-situ copper leaching demonstration at the Tribe's Lakeshore mine.

The Lakeshore mine, the mainstay of the Tribe's private-sector economy, is threatened with closure unless the Tribe and the mine's operator, Noranda Lakeshore Mines (NLM), can demonstrate the commercial feasibility of in-situ copper leaching from solid rock. Closure of the mine would mean the loss of nearly $2,000,000 a year in tribal income from royalties and, to the Papago miners, the loss of their jobs. NLM provides more jobs than any other private-sector employer on the Sells Reservation.

To try to save the Lakeshore mine, the Tribe, in 1983, agreed to a sharp reduction in its royalties on condition that NLM invest the savings in an in-situ demonstration. By September 1986, the Tribe will have contributed $3,600,000 to this effort.

## FY 1986 GENERAL ASSISTANCE SHORTFALL

The Papago Tribe recommends that the Congress provide $3,800,000 in a supplemental appropriation to cover an anticipated shortfall in general assistance funds in FY 1986. The shortfall arises, for the most part, because of an unexpected increase in AFDC payment standards by the State of Arizona. BIA general assistance payments are tied by regulation to state AFDC standards. Accordingly, general assistance payments to Indian people in Arizona must be increased to keep pace with Arizona standards.

## ALLOCATION OF HEALTH RESOURCES

Budget reductions may cause the Indian Health Service to institute a policy to withhold care or treatment from certain types of patients--for example, renal dialysis patients. Many Papagos suffer from diabetes and increasing numbers require dialysis. Any allocation of resources based on an IHS calculation of the "number of excessive years of death" should not be implemented without express Congressional approval.

## Statement of Judy M. Knight, Chairperson, Council of Energy Resource Tribes

The Council of Energy Resource Tribes (CERT) is a tribal organization, as that term is used in the Indian Self-Determination Act of 1975. The governing body of CERT is the elected leaders of 41 federally recognized Indian tribes which together represent over one-half of all Indians living on reservations today, and an even greater percentage of all Indian lands in the United States.

With a small core staff of dedicated professionals, our tribal organization possesses expertise in geology, geophysics, drafting, accounting, economics, business management, and the environmental sciences. CERT staff members have been appointed by two Presidents to head federal agencies and have managed mineral and mining operations around the world.

The Bureau of Indian Affairs has made an important contribution to our collective tribal goal of increased returns from the development of our natural resources. Over the years this contribution has generated unprecedented and unparalleled returns. In the ten years since our organization was formed, the energy production from our lands has more than doubled to its present volume of the equivalent of some 132,000,000 barrels of oil annually. This level of production sustains more than ten thousand full-time jobs in the American economy, and contributes some $2.6 billion annually to the nation's balance of trade by displacing its equivalent in imported oil.

During the period since CERT was formed, our professional staff have assisted the tribes renegotiate many long-term contracts and leases with which this Committee has expressed its concern for the past two years. A few examples demonstrate the dramatic enhancement of reservation economies which this small federal assistance has made possible. On one of our reservations a pipeline company offered $300,000 for a twenty-year renewal of a right-of-way. Our staff, paid with funds which the BIA's assistance helps to make possible, renegotiated the entire agreement on terms which will pay the tribe more than $92 million over the 20-year period. Another pipeline right-of-way across the reservation of one of our member tribes was negotiated by our staff from the offered price of $2,000 to an agreement to pay $286,000. A third right-of-way was negotiated by our staff from an offer of $60,000 to an agreement for $1,760,000. Yet a fourth was negotiated from an offer of $191,000 to an agreed-upon of $1,500,000.

When the non-Indian owned bank which had served one of our reservation communities for more than 60 years failed in 1983, our staff worked with the tribe to locate alternative banking services to serve the reservation's 8,000 people. In January of this year, the tribe submitted to the Office of the Comptroller of the Currency an application to charter in the tribe's own name a national bank to serve the reservation. Our staff is presently working with another member tribe to apply for a license to construct a $100,000,000 hydroelectric generating plant, which we believe can be constructed without federal appropriations. Our staff is also assisting one of our member tribes in negotiations with the Department of Energy regarding purchase of the nation's only coal gasification plant. Many other negotiations are underway with the assistance of our staff in areas ranging from the purchase of four branch banks serving a reservation to power line easements; from oil and gas agreements to the renegotiation of coal mining leases; and from mining gypsum deposits to commercial renewable energy projects.

Not one of our tribes could afford to maintain all the professional capabilities which are represented by the staff which we have assembled by joining forces and pooling the small assistance we get from the BIA with similar amounts from other sources to achieve significant economies of scale.

It is important for this Committee to understand that our tribes are not wealthy. By almost any socioeconomic indicator, our tribes remain far less well-to-do than our non-Indian neighbors. Energy reserves in the ground, or even in production, do not automatically translate into disposal dollars. Farmers throughout the country own vast resources, but are not universally considered wealthy. Even the federal government, whose energy reserves dwarf those of our tribes, has trouble making ends meet. Notwithstanding the significant level of production from our lands, most of our tribes are still net importers of energy and many, of course, have no significant production at all.

For all of us, however, our energy resources do constitute our principal source of potential wealth; our principal source of revenue to provide governmental services to our people and to reduce our dependence on federal support; our principal source of jobs for our people; and our principal opportunity to develop, diversify, and stabilize our reservation economies.

It is for these reasons that we are pleased to be here today to discuss the Bureau of Indian Affairs' fiscal year 1987 budget request for minerals and mining. We want to emphasize that we are not here to urge additional appropriations for this subactivity. While we would like to see increased federal support for this program, so would we like to see increased levels of appropriations in many other Bureau programs which are important to us as well. We realize, however, the importance which both the President and the Congress have attached to reducing the federal deficit, and we are willing to accept our reasonable and proportionate share of the burden of this effort.

We resent bitterly, however, the Bureau's present posture of continuing to utilize monies appropriated for Indian programs as career-insurance premiums for employees of its sister agencies within the Department of the Interior. When the President ordered the 4.3% across-the-board reduction mandated by the Gramm-Rudman-Hollings bill in FY '86, the Bureau announced that its contribution to our organization in FY '86 was to be reduced by 42%, from $432,000 to $250,000. The contracts with USGS and with the Bureau of Mines were left virtually untouched.

We want to make it clear that we are not opposed to the inventory and assessment work that is done under these contracts. In fact, we are the tribes who urged the Bureau to undertake this work, not only for our member tribes, but for all reservations. This work is important and it should be continued within available resources. We find it particularly outrageous that our own tribal efforts should be subjected to such draconian measures, however, when the Bureau itself justified its FY '86 request in large measure by reference to the assistance which our organization provides not only to our own member tribes, but to the Bureau itself and to other tribes as well.

The Bureau has recognized the value of the work we have performed. It has not cited a single instance of so much as one BTU of energy produced as a result of the USGS and Bureau of Mines contracts; not one job created on the reservation; not one dollar in revenue generated; nor one cent of value-added to our reservations, or to the economy as a whole.

Our efforts, on the other hand, have created thousands of jobs, not only on our reservations but throughout the economy; we have generated hundreds of millions of dollars in revenues for our reservations; we have raised millions in contributions from the private sector for the education of our young people; and we have invested the monies in our own human and economic development.

We urge this Committee to direct the Bureau not to sabotage what is, in the opinion of the energy resource owning tribes that govern CERT, the most effective tribal organization existing today in the national effort to develop reservation economies, and to reduce tribal dependence on federal programs merely in order to protect the job security of employees of its sister agencies. Our request in FY '86 was for less than 4.6% of the funds appropriated to the Bureau for mining and minerals activities. Our member tribes represent more than 50% of all reservation lands. The Gramm-Rudman reduction in this program in FY '86 was $412,330. The Bureau has advised us that 73% of that reduction will be taken from the less than 4.6% of the program funds represented by our request. That is neither proportionate nor reasonable.

The facts and circumstances recited herein compel us to the conclusion that, in its zeal to protect its own position of control and privilege, the Bureau has lost sight of the true purpose to be served by the nation's allocation of these limited resources to the development of our economies and our people.

If the Bureau persists, as it proposes to do, in transferring 64% of the funds requested for its minerals and mining program in FY '87 to the USGS and to the Bureau of Mines, this will represent a one-time expenditure of $4,968,000 that will transfer no skills or technologies to the tribes; will generate no revenues for the tribes; will create no jobs on the reservations; and will result in no spin-off businesses or industries for the reservation economies.

Our experience, as individual tribes and as an organization, as well as studies that we have commissioned, convince us that only when the tribes themselves are directly involved in the development and control of programs administered for their benefit do the tribes realize any economic multiplier effect from these programs. We believe this is precisely what the Congress itself had concluded when it wrote this policy into law in the Indian Self-Determination Act of 1975.

We are not suggesting that any more of these funds be targeted toward our reservations. We do suggest that those tribes whose reservations are targeted for inventory and assessment work in FY '87 should be given this opportunity to participate in the development of this work, and the administration of these contracts. We are further suggesting that the Bureau should be directed to consider alternatives to the present practice of blindly presenting 64% of the program dollars available for the BIA minerals program to its sister agencies for conduct of this work. No tribe would be allowed to maintain such a sole source contract in perpetuity without pre-award audits; without post contract close-out audits; without negotiated costs; and without at least periodic competition.

We are further urging this Committee to direct the Bureau to undertake an objective scrutiny of the benefits derived from these contracts, in terms of jobs created; skills and technologies transferred; revenues generated; spin-off economic benefits derived; and to compare these with the comparable benefits derived from the less than 10% of that amount which is made available to our tribes in the form of assistance to our organization. We are confident that the differences will be found to be staggering in their magnitude.

Finally, we urge this Committee to direct the Bureau not to hold harmless those parts of this program which maintain employment for federal employees at the expense of the already small portion (less than 4.6%) of the program which we have been able to convert into jobs, businesses, and hundreds of millions of dollars in revenues. By insisting on performing all this work "for" us, the Bureau perpetuates the very dependence it proclaims to be seeking to end. This laudable objective will be achieved only when this work is done "by" us in a manner that not only promotes economic development, but also results in the true development of reservation-based economies.

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## STATEMENT OF RODGER BOYD, EXECUTIVE ADMINISTRATOR FOR GOVERNMENT RELATIONS, THE NAVAJO NATION

My name is Rodger Boyd, Executive Administrator for Government Relations. On behalf of Chairman Peterson Zah and the Navajo Tribal Council we want to express our appreciation for this opportunity to comment on the FY'87 budget request of the Bureau of Indian Affairs.

1. The JOM Program and Title IV. The proposed transfer of the JOM program from the BIA to the Department of Education causes us great concern. We believe that this proposal will have adverse impacts on Navajo students.

Under the present program, JOM funds are contracted directly to the Navajo Nation. We are concerned that this practice will cease with the transfer of JOM to the Department of Education. The effect of this will be to undermine the established educational policies of the Navajo Nation. For example, our approved policies call for a full bilingual education for all Navajo students. We have utilized JOM funds to ensure fulfillment of this policy. If the Navajo Nation ceases to be the prime contractor for JOM in the Navajo Nation, we will see a serious erosion of our ability to promote and implement bilingual education. The real losers will, of course, be the Navajo students who will ultimately lose a vital key to their future as Navajos.

We have similar concerns with respect to the proposed transfer of the Title IV Education Enrichment and Advancement Programs from the Department of Education to the BIA. Neither of these transfers have been reviewed by the authorizing committees of the Congress. Neither of these transfers have been subjected to consultation with the Tribes. Program changes of this magnitude should always include Tribal consultation.

2. Economic Development and Employment

In FY'86 the Congress appropriated $26.6 million for BIA employment assistance programs. For FY'87, the BIA has requested $24.4 million. This proposed decrease in funding for FY'87 makes no sense. Unemployment in Indian Country continues at levels four or five times greater than the national average. Given the BIA's professed concern for the provision of direct services to Indians, there can be no justification for this proposed reduction in funds.

We are also puzzled by the proposed reduction in road maintenance funding from $23.06 million in FY'86 to $22.7 million in FY'87. For the FY'85 and FY'86 fiscal years the funds which have reached the Navajo Area have not been adequate to maintain the existing network of BIA roads. In some of the Navajo Agencies road equipment has been idled for nearly eighteen months due to the lack of funds necessary for fuel and regular maintenance. The BIA road network, which is mostly unpaved has deteriorated rapidly. The BIA claims that its objective is "to plan, schedule and provide maintenance repairs and service in accordance with the standards of the American Association of State Highway and Transportation Officials (AASHTO)." Our experience in the Navajo Nation is such that we not only have cause to disbelieve that this is the BIA's goal, but to also question whether the BIA even has a basic understanding of the minimal road maintenance needs in Indian Country.

We would also like to note here that we understand that the FY'87 appropriation request for new road construction funds from the Federal Highway Trust Fund is $75 million. The current authorizing legislation calls for an annual appropriation of $100 million. Even at this higher level, the Navajo Nation road construction program is woefully inadequate. There is a backlog of nearly 3,500 miles of road construction needs in the Navajo Nation. The construction of all-weather highways is a key component of our drive to become economically self-sufficient. We simply cannot develop an adequate economy without this vital infrastructure. The failure of the BIA to seek the full appropriation of $100 million is inexplicable and will certainly prolong Navajo dependence on the Federal treasury.

3. Tribal Government Services. We note with great interest that the BIA is proposing to reduce the budget for Tribal Government Services by about $1.3 million from $32.2 million in the current fiscal year to $30.9 million for FY'87. This reduction comes at a time when the BIA has notified the Navajo Nation that it no longer has sufficient funds to continue the operation of the Navajo Enrollment and Census Office. This program operates on an annual budget of about $323,000. The Treaty of 1868 between the Navajo Nation and the United States mandates that the United States maintain the enrollment and census records of the Navajo Nation. This activity is critical to determining such things as school enrollment, eligibility for general assistance and activities pursued under the Indian Child Welfare Act for the benefit of Navajo families and children. It defies common sense for the BIA to abandon this basic treaty responsibility, without even making an effort to secure adequate funding from the Congress. We respectfully request that this Committee instruct the BIA to continue funding for the Navajo Enrollment and Census Office in FY'87 and beyond.

4. Social Services. The BIA has proposed to reduce Indian Child Welfare funding for FY'87 to $6.1 million from its current level of $8.8 million. This 25% reduction comes at a a time when child abuse and neglect cases are increasing at an alarming rate throughout the United States. The proposed reduction also appears to be contrary to the determination of the Congress in the Indian Child Welfare Act that protection of Indian children and families forms an integral part of the federal trust relationship. Funding for Indian Child Welfare programs should at least be maintained at the FY'86 level of $8.8 million.

5. Forestry. BIA proposes to reduce forestry programs funding from the FY'86 level of $33.8 million to $29.5 million in FY'87. These reductions will have serious negative impacts on all of the Navajo Nation's forestry programs, but will be particularly severe with respect to our reforestation needs. At the FY'86 level of funding, the BIA would need at least fifty years to meets its reforestation backlog in the Navajo Nation. The reduced level of funding for FY'87 will surely increase this backlog and further hamper our efforts to promote sound management of the Navajo Timber assets.

6. Wildlife and Parks. Once again the BIA has failed to request funding for the Williams Creek fish hatchery. Williams Creek has been the principal source of fish for the lakes and streams on the Navajo Reservation for several years due to the BIA's failure to construct fish hatcheries in Navajo country. No funds are being sought for new hatchery construction in FY'87. If Williams Creek closes, then the Navajo Nation, White Mountain Apache and several other Indian Tribes will be denied the means to continue to stock their lakes and streams. This will ultimately result in the loss of millions of dollars in the sport fishery and tourism industries. We strongly recommend the continuation of funding for at least the Williams Creek Hatchery in FY'87.

7. Navajo Indian Irrigation Project (NIIP). Once again the BIA has failed to request any funding for NIIP construction. We have been advised by the NIIP Project Office that $8.3 million is needed for the completion of Block Six, $1.3 million is needed for planning and design for Blocks Seven and Eight; and $.5 million is needed to retrofit existing pumping stations. Thus, the total needed in FY'87 is $10.1 million.

The continued construction of NIIP is necessary not only to fulfill the mandate of Congress and the federal trust responsibility but also to allow us to complete plans for a $50 million potato production and processing joint venture. This business would operate on NIIP Blocks Six, Seven and Eight. It would create 400 new Navajo jobs on yearly sales of $65 million and would result in an injection of at least $25 million in private capital.

We must again express our dismay at the failure of the BIA to request funds for NIIP construction. The FY'86 appropriation bill, prior acts of Congress and the Treaty of 1868 all pledge the federal government to the completion of NIIP. We must ask when the BIA will begin to comply with these laws of the United States.

8. Housing. The BIA is proposing a 42% reduction in its Housing Services Program for FY'87. This comes at a time when the Administration has proposed a full recission of the HUD Indian Housing Program for FY'86 and is seeking no funding for HUD Indian Housing in FY'87. It is clear that both the BIA and HUD intend to get out of the Indian housing "business." In the Navajo Nation alone there is a need to renovate 12,000 houses and to construct at least 18,000 new homes. Navajos in particular and Indians in general continue to live in the most substandard housing in America. It is, at the very least, a national disgrace. This is all the more true in light of the Administration's obvious attempts to ignore this problem.

Mr. Chairman, we thank you and the members of the Committee for this opportunity to comment on the BIA budget request for FY;87.

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## STATEMENT OF DONALD R. ANTONE, SR., GOVERNOR, GILA RIVER INDIAN COMMUNITY

Senator McClure, members of the Sub-Committee, and staff members, I am grateful for this opportunity to appear today on behalf of the Pima and Maricopa Indian Tribes of the Gila River Indian Community. I want to emphasize that the Community is extremely grateful for the assistance and consideration the Chairman and this Committee has extended to us in past years. I again request your continued support.

Our initial concern is the adverse impact of the Gramm-Rudman Act of 1985, P.L. 99-177 on the lives of all Indians. In view of the unique legal and political status of Indian Tribes within the American system of government, and the firmly established government-to-government relationship between the United States of American and Indian Tribes, I urge that the Bureau of Indian Affairs and the Indian Health Service be excluded from the scope of Gramm-Rudman and exempted from the impact of the proposed cuts or sequestrations. In the event that Gramm-Rudman is applicable to IHS or the BIA, I urge that any proposed recission of IHS or BIA FY 1986 appropriated funds be denied. For instance, to reduce funds for BIA Child Welfare Services and General Assistance makes no sense, especially when similar services provided to non-Indians have been exempted from Gramm-Rudman cuts.

The Community has four special concerns which I would like to bring to your attention:

1. FUNDING FOR COMPLETION OF CONSTRUCTION OF THE NEW SACATON HOSPITAL.

2. FUNDING FOR STAFFING OF THE COMPLETED SACATON JUVENILE REHABILITATION AND DETENTION CENTER.

3. OPPOSITION TO THE TRANSFER OF JOHNSON O'MALLEY PROGRAMS TO THE DEPARTMENT OF EDUCATION.

4. FUNDING FOR GILA RIVER FARMS.

1. CONSTRUCTION FUNDING FOR COMPLETION OF THE NEW SACATON HOSPITAL IS REQUESTED

Construction of the new Sacaton Hospital has been a dream of Pimas and Maricopas for many years. Since monies were first appropriated for the planning and design of the hospital in FY 1984 and for initial construction in FY 1985, I now request that sufficient construction monies be appropriated in the amount of twelve million four hundred forty six thousand dollars ($12,446,000). In addition, the Community further requests that one million three hundred thousand dollars ($1,300,000) be appropriated for housing for the staff of the new hospital. The amount needed to complete construction may have to be adjusted to take into account local taxes and additional costs resulting from the failure to complete the plans and drawings on schedule. This amount has been estimated by IHS to $180,000.

There have been many obstacles raised to prevent the construction of the hospital but they all have been overcome. The final construction plans and drawings were not completed so that the construction contract could be let on schedule in July, 1985. The construction plans are now finished, advertisement almost completed, and the bids will be opened on April 23, 1986. Because of the delays the construction contract will be finally let almost ten months late.

Completion of the Sacaton Hospital is necessary to maintain delivery of health services at its present level, especially when it appears that it is the goal of this Administration to abandon the mission of bringing health standards of Indian Tribes to a level comparable to the general population. Accordingly, I strongly oppose any attempt to rescind funds for Contract Care services and Community Health Representatives.

CHR's are the key link between IHS, and Pima and Maricopa patients facilitating the delivery of desperately needed health services. If it were not for the devotion of CHRs many patients would not be able to take advantage of the IHS and Tribal health services available.

Pimas and Maricopas are especially concerned with the effects and consequences of diabetis. The consequent ravages of this disease often leads to end stage renal disease and costly dialysis treatment. Unfortunately, the new Sacaton Hospital will not provide dialysis treatment but many preventative measures now implemented will be continued and with additional resources available in the new Hospital, a substantial step foward will be taken to control this disease.

I urge your full consideration of our request for appropriation of the balance of funds needed to finish the Sacaton Hospital.

2. FUNDING FOR STAFFING OF THE SACATON JUVENILE REHABILITATION AND DETENTION CENTER IS REQUESTED.

The Sacaton Juvenile Rehabilitation and Detention Center has been completed and was ready for occupancy in October, 1985. Last year we advised the Bureau of Indian Affairs that though the building was scheduled for completion, no funds were available to operate the Center. The BIA had failed to request appropriations to staff the Center. For Fiscal Year 1986 $200,000 was appropriated but this amount was insufficient and the BIA has not yet opened this facility. The Tribe is simply not able, at this time, to allocate monies to support the Center. Therefore, the Community developed a staffing proposal which was submitted to this Committee and the BIA last year. Subsequent to last year's hearing, the BIA then drafted a more complete funding plan which calls for an annual appropriation of $495,000.

The Community needs the Rehabilitation Center not only to comply with the Juvenile Justice and Prevention Act but also because the facility used previously burned down. We were sharing a Rehabilitation Center with the Ak-Chin Indian Community but now we have converted an adult detention center for use as a temporary juvenile facility. The new Center will be able to hold approximately thirty-two (32) children at any one time.

3. RESPONSIBILITY FOR JOHNSON O'MALLEY MUST REMAIN IN THE BUREAU OF INDIAN AFFAIRS

The Community, like every Indian Tribe in the United States, is vitally concerned about the quality of education that its school age members are exposed. There is no doubt that the education offered young Indians in public schools leaves much to be desired despite the progress that has been made. Too often public schools are unaware of or choose not to meet the special and unique education needs of young Indians. Unfortunately, Pima and Maricopa students have been subjected to this apathy or hostility.

You will find attached a Resolution approved by our Community Council urging that responsibility for JOM remain within the Department of the Interior and not be transferred to the Department of Education. Funding is necessary and must be continued so that supplemental and basic educational needs may be met.

The Community contends that JOM funds are not duplicative, or wasted, but instead used efficiently contributing substantially toward the education of Pimas and Maricopas. Once the proposed transfer of responsibility is reviewed in depth, I am sure the transfer will not be allowed.

4. FUNDING FOR GILA RIVER FARMS.

Agriculture is the basis for our economy and has been since time immemorial. Our Reservation is immediately south of the greater Phoenix Metropolitan area and is comprised of approximately 372,000 acres. Approximately 266,000 acres could be farmed if there were sufficient water. Only the lack of water and capital to develop the land prevents more land from being farmed.

Gila River Farms is an enterprise of the Tribe and half of its net profits are returned to the Tribe to help support the cost of Tribal programs and operations. As many as 15,000 acres have been farmed depending on the state of the economy and availablity of water. The primary crops grown are cotton, grain, alfalfa, vegetables, and pistachio nuts. Approximately 150 Tribal members are employed on a year round basis and 50 more employees are added on a seasonal basis.

Farm operations are financed by commercial bank loans and by a Small Reclamation Projects Act loan (P.L. 84-984). To date no Congressional appropriation or BIA funds have been used to support farm operations. The Farms is a completely self-supporting operation using only Tribal funds.

The purpose of the request for funds is to utilize undeveloped land assigned to Gila River Farms, use new irrigation technology, and develop new crop varieties (guayule and new cotton varieties for use under sprinkler systems). It is further contempleted that Central Arizona Project (CAP) water will be used and water usage will be reduced by leveling lands and incorporating sprinkler systems.

The principle project features to be constructed under this are more fully set forth in the attached funding request.

Appropriations would help the Tribe increase employment opportunities, develop unused land, experiment with new crops, provide a greater return of revenue to the Tribe, and directly stimulate the economy on the Reservation.

I thank you for this opportunity to present the views of the Gila River Indian Community and if you have any questions, I shall be glad to respond.

## GILA RIVER INDIAN COMMUNITY

## RESOLUTION GR-20-86

A RESOLUTION OPPOSING TRANSFER OF JOHNSON O'MALLEY FUNDS AND RESPONSIBILITY FROM THE BUREAU OF INDIAN AFFAIRS TO THE DEPARTMENT OF EDUCATION.

WHEREAS, The Fiscal Year 1987 Budget, developed at the request of President Reagan, proposes transfer of funds intended specifically for the education of Indian children as authorized by the Johnson O'Malley Act of June 4, 1936, 25 U.S.C §452 (JOM), in the amount of 22.1 million dollars from the Bureau of Indian Affairs, Department of Interior to the Department of Education; and

WHEREAS, The purpose of JOM funds is to financially assist public school efforts designed to meet the specialized and unique educational needs of eligible Indian students, including programs supplemental to the regular school program and school operational support, where such support is necessary to maintain established State educational standards: and

WHEREAS, The Gila River Indian Community now receives approximately $200,000 in JOM funds and approximately $96,000 is distributed directly to Sacaton School District which should be contracted by the Community; and

WHEREAS, The proposal contemplates that the Department of Education will be responsible for Indian students in public schools and the BIA will be responsible for Indian students in BIA supported schools; and

WHEREAS, The Reagan Administration has consistently attempted to eliminate JOM monies but because Indian Tribes throughout the Country have strongly protested elimination of these funds, Congress has consistently restored JOM funds; and

WHEREAS, The transfer of JOM monies from the responsibility of the BIA, Department of Interior to the Department of Education will make it easier from this Administration to reduce JOM monies and then completely eliminate the JOM Program; and

WHEREAS, At the present time the BIA, Department of Interior contracts directly with Indian Tribes for the use of JOM monies consistent with the government to government relationship which recognizes the sovereign status of Indian Tribes; and

WHEREAS, It is doubtful that the Department of Education will contract directly with Indian Tribes for the use and distribution of JOM funds and instead will contract with State Department of Education and school districts therefore eliminating Indian control of the vitally needed JOM funds; and

WHEREAS, Prior to enactment of the Indian Self-Determination Act and revision of the regulations governing JOM funds in 1975, 25 C.F.R. Part 273, 273.1 et. seq., State Department of Educations and school districts controlled JOM funds but abused this responsibility and often diverted the funds for the education of non-Indian children, general operational support of the school district, and failed to provide for the educational needs of Indian children resulting in drastic reform of JOM regulations.

NOW THEREFORE BE IT RESOLVED that the Gila River Indian Community opposes the proposed transfer of administrative responsibility of Johnson O'Malley Programs, and Johnson O'Malley funds from the Bureau of Indian Affairs, Department of Interior to the Department of Education since the education of Indian Children will suffer, and Johnson O'Malley Programs and funds will eventually be eliminated.

BE IT FURTHER RESOLVED that the Gila River Indian Community hereby opposes any action by the current administration requesting rescission of monies appropriated by Congress for Johnson O'Malley programs in Fiscal Year 1986.

BE IT FINALLY RESOLVED that the Governor or the Lieutenant-Governor are hereby authorized to take all necessary action to inform the United States Congress and the Bureau of Indian Affairs and other interested parties of this position of the Gila River Indian Community.

CERTIFICATION

Pursuant to authority contained in Article XV, Section 1, (a) (1), (4), and (9) & Section 4 of the amended Constitution and Bylaws of the Gila River Indian Community ratified by the Tribe, January 22, 1960, and approved by the Secretary of the Interior on March 17, 1960, the foregoing Resolution was adopted this 19th day of February, 1986, at a Regular Council meeting held in District #5, Casa Blanca, Arizona, at which a quorum of 12 members were present by a vote of 12 FOR: 0 OPPOSE: 0 ABSTAIN: 4 ABSENT: 1 VACANCY.

GILA RIVER INDIAN COMMUNITY

Governor

ATTEST:

Tribal Secretary (Acting)

# OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS

## STATEMENT OF JOSE A. ORTIZ DALIOT, DIRECTOR, PUERTO RICO FEDERAL AFFAIRS ADMINISTRATION

On behalf of the Government of Puerto Rico, I would like to take this opportunity to acquaint you with some facts about Puerto Rico's economy and how recent past budgets and the current one adversely affect the Commonwealth.

A 1984 study done for the American Federation of State, County, and Municipal Employees reported that Puerto Rico ranked third in the nation in per capita losses in federal aid over the previous three years. In spite of tremendous economic advances made during the 1950s and 1960s, Puerto Rico remains the poorest part of the United States by a substantial margin. The 1980 United States Census reported that the median family income in Puerto Rico was $5,923, just 26% of the medium family income in the United States. Average family income, in real terms, has not increased since 1973. Unemployment, on the other hand, has risen to over 20%.

Cuts proposed by President Reagan in the 1987 Administration budget would place further unendurable demands on the economy and people of Puerto Rico. Cuts in Urban Development Action Grants, housing (HUD and Farmers Home), the environmental programs, and agriculture programs will require that a greater proportion of scarce Commonwealth resources be channelled to meet the demands for social and industrial infrastructure.

Cuts in education programs, the nutrition assistance program, employment and training programs, and agricultural extension will require more local resources to make minimal provisions for the most needy members of our society.

The need to focus more and more Commonwealth resources into the highest priority areas for economic development, and basic social decency draws attention away from other very important areas such as historical preservation, promotion of the arts and humanities, and preservation of natural and cultural resources necessary for a rich identity and social cohesion.

Under the proposed Administration budget, significant cuts would be made in programs such as the National Foundation for the Arts and Humanities, and the Department of the Interior. Some of these are small programs. Their small allotments are to be cut even more, if the Administration prevails.

While in overall budgetary terms the appropriations may appear insignificant and, therefore, ripe for elimination, past appropriations have enabled the United States Government to play a vital leadership role in these areas, focusing national attention on our historical past, our natural environment, and the development of our future cultural and natural milieu. This national leadership by the Federal Government has brought about increases in private, state and local support.

This has occurred in Puerto Rico as well. However, we believe it is likely that the withdrawal of federal "sponsorship" of activities in these areas will spark a refocusing of private and local support to areas of need with a more immediate felt impact. We believe that continued federal funding for the programs under the jurisdiction of this committee is necessary to assure that local legislators, corporations and other private sponsors continue to perceive the importance of cultural, historical and environmental projects and continue to support activities in these areas.

The Federal Government has served as a catalyst through funding programs administered by the Department of the Interior and the National Foundation for the Arts and Humanities. The effect can be seen in Puerto Rico. The Basic State Grant from the National Endowment for the Arts is administered by the Institute of Puerto Rican Culture. In 1984-85, 44 proposals were submitted to the Institute requesting $750,400 under this program. As the grant was for $368,100, only 31 projects could be supported. In the current round of proposals for 1986-87 Basic Grant funds, 119 have been submitted requesting $1.5 million, though the actual grant is not expected to pass $355,400. Funding of artistic groups by the Puerto Rico Legislature has increased since the National Endowment programs were set up in Puerto Rico, both for the arts and humanities. Often this funding covers NEA and NEH matching requirements. This highlights the importance of federal funding for building aspirations and promoting other sources of support.

The programs of the Department of the Interior contribute to recognition and growth in related areas. In many cases the support is direct. For instance, the entire Old San Juan area has been declared a national and an international historical site. Various forts and structures in San Juan and other Puerto Rican towns are historical sites. These are part of the national patrimony, besides giving the Island part of the flavor which attracts tourists, form cultural identity, and place the day to day struggles of our people in a context of pride which enables them to continue to seek solutions.

Right now some of these historical sites, such as El Morro Fort, are endanged by erosion and other environmental factors. Federal funds are needed for structural repairs to assure continuance of this link with our past.

We believe it would be narrow-minded to cut already small allotments to the National Foundation for the Arts and Humanities and the Department of the Interior because it will "scarcely be noticed." These programs create high visibility and serve as catalysts for funding from other sources for programs in areas so rooted in our past that support for them would not seem urgent or top priority if national attention and support were not focused on them.

# FOREST SERVICE

## STATEMENT OF RONALD R. CHRISTENSEN, EXECUTIVE VICE PRESIDENT, SOCIETY OF AMERICAN FORESTERS

On behalf of the Society of American Foresters' (SAF) 21,000 members, I would like to make some comments on the USDA Forest Service FY 1987 Appropriations. The Society thanks you and the members of the Committee for your continuing support of forestry and your efforts to maintain a balanced, multiple-use program for the USDA Forest Service. However, we must express our concern again this year over the President's proposed budget and the consequences for forestry and the nation's forest resources.

The proposed FY 1987 Budget for the Forest Service is hardly a surprise. It is consistent with previously proposed agency budgets that would significantly reduce funding for the protection and management of the nation's forestlands. If enacted as proposed, the President's budget would substantially reduce key elements of the Forest Service's research program; would undermine the agency's ability to maintain balanced, multiple-use management of the national forests; and virtually eliminate the long-standing federal-state partnership for protecting and managing the nation's state and private forestlands. As in the past, this budget seeks to implement substantial changes in federal forest management policy through the budget process.

In the short-term, the proposed budget appears to respond to current fiscal concerns. However, in the long-term, its effects could have grave consequences for the future well-being of public and private forestlands. SAF believes that this budget ignores the growing need for investing in our renewable natural resources. We believe that the health and well-being of these natural resources should be a national priority. It is clear from the President's proposed budget that this is not the case.

We will emphasize three concerns that the forestry profession has with the proposed FY 1987 Forest Service budget. First, SAF believes that the budget must be viewed both in terms of its impact on current forest management activities and its effect upon the future of the nation's natural resources. The 1985 RPA Program should be presented to the Congress as the basis for making these judgements. The RPA Program is long overdue, and the FY 1987 budget makes no reference to RPA recommended levels of funding, as the law requires. Second, we believe it is inappropriate for the President to propose major changes in federal forestland management policy -- such as increasing recreation user fees, changing the basis for making revenue sharing payments to the states, or implementing the Forest Service/ BLM land interchange -- in the context of the budget. The agency should first seek and obtain legislative authority to enact these new policies prior to placing them in the budget. Third, we believe it is essential that the Forest Service have adequate funding for key resource management and research programs if it is to effectively manage and protect the nation's forestlands. Reductions in air pollution research, elimination of the cooperative forest management program, and cutbacks in certain non-market elements of the national forest system budget are ill-timed and ill-advised given their extreme importance.

## The Proposed Budget Ignores Long-Term Research and Management Needs

In the past, we have come before you and advocated that the Resources Planning Act Program, prepared by the Forest Service in compliance with the Forest and Rangeland Renewable Resources Planning Act of 1974 (RPA), serve as a comprehensive guide for program development and budgeting. RPA is intended to help the Forest Service, the President, and Congress determine the level and balance of Forest Service funding required to meet projected public needs for the goods and services provided by the nation's forests and rangelands.

The RPA Program and associated data provide a baseline for assessing past accomplishments and charting long-term research and management needs. Although program funding has not kept up with RPA recommendations, the RPA Program still provides a basis for evaluating the tradeoffs between full program funding and reductions in program outputs associated with less than full funding. As such, the RPA Program is a useful planning and budgeting tool.

The 1985 RPA Program has not yet been presented to Congress although it was, by law, to be transmitted to the Speaker of the House and the President of the Senate in January, 1985. The Program was to be accompanied by a statement of policy, which is "intended to be used in framing budget requests ... for Forest Service activities for the five-or ten-year program period." Section 8(b) of RPA stipulates, "requests presented by the President to the Congress governing Forest Service activities shall express in qualitative and quantitative terms the extent to which the programs and policies projected under the budget meet the policies approved by the Congress.... In any case in which such budget so presented recommends a course which fails to meet the policies so established, the President shall specifically set forth the reason or reasons for requesting the Congress to approve the lesser programs or policies presented."

The President's proposed FY 1987 Forest Service budget contains no references to the RPA recommended program. The President has not presented the statement of policy to define Forest Service management direction for the next five years. Without this information, a comprehensive assessment of program funding needs is difficult. Last year, efforts by the Congress to wrestle loose the 1985 RPA Program from the President were futile. We strongly suggest that you and the appropriate authorizing committees question the Administration's unwillingness to present the 1985 Program to the Congress. We urge that you request that the Program and statement of policy be transmitted to Congress now, so that the President's budget request can be viewed in its proper context -- with some sense of the effects it will have on the ability of the Forest Service to meet the nation's future demands for goods and services from our forestlands.

Policy Initiatives Should Not be Incorporated in the Proposed Budget

The proposed FY 1987 Forest Service budget contains three major policy initiatives. Each new initiative is based on the [illegible] assumption that the appropriate legislation will subsequently pass. The first is to increase recreation user fees on the national forests. The budget proposal assumes the necessary legislation will pass and add an estimated $16 million to FY 1987 anticipated receipts. This was also the basis for cutting the agency's request for recreation management funding by $53 million. The second proposal is to change the formula for shared revenue payments to States and counties from a gross receipts basis to one of net receipts. This assumes the passage of proposed legislation which would reduce payments to states and counties in FY 1987 by more than $142 million. The third policy initiative embodied in the proposed FY 1987 budget would transfer 25 million acres of federal lands between the Forest Service and USDI Bureau of Land Management. Although the legislation required to implement this proposal recently has been presented to the Congress, there has not been adequate time to evaluate its impacts. Yet, the Forest Service budget includes a request for $5 million to implement the program.

SAF believes that such significant changes in forest management policy should not be incorporated in the proposed budget. These proposals could have a substantial effect on both the uses and users of forestlands. States and counties that depend heavily on their share of Forest Service receipts to support local programs will be hit especially hard. These proposals are significant departures from current policy and should be presented to the Congress and the public with adequate time for review.

Critical Forest Service Programs Must Be Sustained

Between 1981 and 1986, the total Forest Service budget has declined by more than $243 million, in constant 1981 dollars. Individual programs have been cut by disproportionate amounts, as indicated by the following table:

| Program | Funding ($000) 1981 | 1986 Current | 1986 1981 $'s | % Change Since 1981 |
|---|---|---|---|---|
| Forest Service (tot.) | 1,832,000 | 1,964,806 | 1,588,742 | - 13.3 |
| Research | 122,000 | 120,127 | 97,135 | - 20.4 |
| State & Private | 73,000 | 55,160 | 44,602 | - 38.9 |
| National Forest System | 880,000 | 1,031,934 | 834,422 | - 5.2 |

The implications of these funding reductions are difficult to ascertain. However, a close look at some specific programs shows the irrational nature of some of these cutbacks.

Research. There is increasing evidence that the productivity of our southern pine forests is declining. According to a recent report released by the USDA Forest Service, southern yellow pine growth has declined as much as 30 to 50 percent throughout the Piedmont and mountain areas of the Southeast during the last 20 years. (Sheffield, Raymond M., et al., 1985. Pine growth reductions in the southeast. USDA Forest Service. Resource Bulletin SE-83.) The Forest Service can only speculate on the causes for this decline, however one theory suggests that air pollution may be a contributing factor. Recent research has indicated that other air pollutants, in addition to acid rain, may be affecting the forests of North America. One such pollutant may be ozone. The relationship between these pollutants and forest growth and the possible mechanisms by which the pollutants affect trees remains a mystery, however.

In recent years, the Forest Service, in cooperation with EPA, has developed a research program to determine what effects air pollutants such as acid rain may be having on American forests. However, this research effort is insignificant in comparison to the task at hand. The proposed FY 1987 Forest Service research budget would reduce acid rain research by nearly $2 million. Research work units conducting air pollution research at Parsons, West Virginia and University Park, Pennsylvania would be terminated. Clearly, given the potential consequences of failing to understand how air pollution may be affecting forests, this is an area of research that should be promoted, not pared back.

The proposed budget would also reduce federal research in genetics and tree improvement. Recently, the SAF Tree Genetics and Improvement Working Group wrote Dr. Ohman, Forest Service Deputy Chief for Research, to express their concerns for the effects of these cutbacks on forest genetics research. A copy of this letter is attached to the testimony. This area of "high-tech" research in forestry has shown significant progress and promise in recent years. But, as the promise of this research is ready to become reality, much of the program is slated for termination. The logic of the decision to shut-down the genetics research at such a critical time is questionable.

Overall, the proposed budget would result in termination of seven research work units and the closure of four laboratories. This would be in addition to the 40 research units and 9 laboratories that have already been shut down since 1981. Previous research cutbacks have resulted in elimination of more that 200 full time equivalents (FTE's) in the research program. The proposed budget would bring this number to 300.

Although SAF cannot speak for the utility of all the research being conducted by the Forest Service, we question the logic of continuing to close research programs and laboratories without some clear sense of the impact of these actions on the agency's overall research program. Forest Service research also serves the BLM, National Park Service, state natural resource management agencies, and millions of private forestland owners. The effects of cutbacks in the Forest Services' research program on these other agencies and individuals remains unclear. For these reasons, SAF opposes further closures of research programs and laboratories until the ramifications of these actions are understood.

State and Private Forestry. An additional inconsistency in the President's proposed budget is planned elimination of key elements of the Forest Service's State and Private Forestry program. Sixty-one percent of the nation's forestland is privately owned. Farmers and other non-industrial landowners hold 58 percent of the nation's commercial timberland base. These lands will become increasingly important as a source of timber and pulp, as places to recreate, and providers of water, fish and wildlife habitat, and forage.

A 1982 USDA report (Fesco, R.S., et al., 1982. Management practices and reforestation decisions for harvested southern pinelands. USDA Statistical Reporting Service. SRS Staff Report No. AGES821230.) made clear that professional forestry assistance was important to ensuring that landowners reforest their land following timber harvest. Without recognition of the need to reforest, cutover lands would either revert to hardwoods or remain barren. Declines in the productivity of southern pinelands, noted above, and inadequate pine regeneration following harvest are cause for concern. Yet, the proposed budget would eliminate the Forest Management and Utilization segment of the State and Private Forestry Program -- the element that provides technical assistance to landowners to make reforestation decisions and get trees back in the ground.

The proposed budget would also eliminate the federal program for seedlings, nursery, and tree improvement. This would place the burden for meeting future national reforestation needs squarely on the states and private nurseries. We believe that this is short-sighted and ill-advised.

The timing of decisions to eliminate technical assistance to landowners and eliminate the federal nursery program is particularly suspect given new federal efforts to convert highly erodable lands to permanent cover through creation of the Conservation Reserve. As a part of this new soil conservation measure, USDA has set a target of reforesting 2 million acres. Yet, the technical assistance and growing stock needed to meet this goal would be eliminated by the proposed budget.

As in the past, the President's proposed budget would severely cutback federal pest management and fire protection efforts. These cutbacks are unacceptable. This Subcommittee is well-aware of the existing pest management problems that the Forest Service must address, including gypsy moth defoliation in the Northeast and Northwest, and pine bark beetle outbreaks in the South. Last year was one of the worst forest fire seasons in recent memory. But, again, the budget for this activity is slated for significant reductions. Finally, the budget calls for elimination of the highly successful urban forestry program. In terms of educational opportunities and direct technical assistance, this program directly serves more of the public than many other forestry programs. In light of the importance of these forestry programs, we find proposals to eliminate or terminate them inconsistent with existing needs and arbitrary.

National Forest System. The proposed FY 1987 National Forest System budget would reduce funding for resource management programs by $184 million from the FY 1986 level. However, once again, the President has proposed disproportionate reductions in programs, favoring revenue-generating, commodity-oriented segments of the National Forest System budget as opposed to the noncommodity segments -- recreation, wildlife and fish, range, and soil and water. For example, the proposed budget would reduce minerals and timber sales funding by 9 and 6 percent, respectively, while funding for wildlife and fish habitat is cut by 13 percent and recreation is slashed by 53 percent (assuming that additional funding from increased user fees is not forthcoming).

SAF opposes further reductions in national forest system funding. Demand for resources such as timber, fish and wildlife, and recreation is growing, not declining. Therefore, we believe it is prudent to make increased investments in these resource management programs, not to cut them further and compound the holding its own -- down by only 5 percent.

The President has made clear from this and previous funding proposals, that investments in the protection and management of the nation's forestlands are not a priority. It is also clear from the past, that the Congress sees things somewhat differently. We appreciate the support that you have provided to forestry and sound forest management in past, and seek similar support today.

SAF believes that new policy initiatives such as increased recreation user fees, major land exchanges between the Forest Service and Bureau of Land Management, and a change in the basis for making payments to states from gross to net receipts, be deferred until adequate time for Congressional review and a public response is provided. Anticipated revenues generated, or costs incurred, by implementing these proposals should not be contained in the FY 1987 Forest Service budget.

Finally, SAF urges you and your colleagues to obtain the 1985 RPA Program from the President, in order to assess the consequences of past budget reductions and to determine the comprehensive funding needs of the agency for the future. The conservation and stewardship of our nation's natural resources must again become a national priority.

## Statement of Gerry Mackie, Executive Director, Northwest Forest Workers Association

### Introduction

The nation's future forests are at jeopardy. In the midst of repeated budget bombast from the wealthy and well-organized, this fact probably adds to the tedium. However, we would beg you in Congress to see the exotic fleeting issues of the day in perspective, while giving proper concentration to the politically thankless task of ensuring future forests and timber supply.

This year marks five threats to our future forests, all without a coordinated policy overview. Relevant to this testimony is the demonstrable underfunding of Forest Service and BLM reforestation and stand improvement. Also at stake is funding for the Agriculture Conservation Program, which encourages small woodland owners to reforest and manage the land. House-passed tax reform irrationally disallows reforestation as an expense, a prescription for massive deforestation. The southern states are already harvesting without reforesting, while American producers are being devastated by government-sanctioned "forest-mining" in Canada; the Canadians are cutting like crazy without adequately reforesting (they call it "natural regeneration"), thus putting tremendous pressure on American private and public landowners to abandon long-term forest management. This Canadian subsidy is the very economic force driving Congress to reduce reforestation and TSI budgets. Finally, the unknowns of acid rain are beginning to destroy forests on the eastern seaboard. Nothing requires the political wisdom of the long-term view more than our nation's forests.

### An Anecdotal Account of Reforestation Funding

The facts and figures can often disguise the real-life result. Rather than delving into the dull numbers, allow us to describe how we have seen reforestation funding from the ground.

Extensive reforestation and forest management, on both private and public lands, began only in the late sixties (before then a wasteland was left to euphemistic "natural regeneration"). In the early years of planting, it was all "stuff-and-stomp," that is, get some trees from somewhere, and get as many in the ground as you can at the cheapest cost. That strategy resulted in huge plantation failures; and called for advances in the art of silviculture. As timber demand increased, and as private and public forest landowners realized the economic good sense of reforestation, a stable contracting and labor force developed. As it did, foresters began requiring tougher specificiations and more exacting performance. From about 1974 through 1980, federal reforestation funding was adequate for honest, quality performance.

However the statistics are characterized, it is clear to us that after 1980, needs remained high, the pressure to perform was intense, while real per-unit funding declined. Dating from the census amnesty of 1980, crude exploiters of illegal aliens invaded the marketplace, and began to prevail on the rigid low-bid contracts: no questions asked about impossibly low prices, wage-law compliance, workers' compensation coverage, payroll tax reporting. Reforestation is difficult high-wage work traditionally done by locals. By 1983, real wages for local workers had declined by half, but even then the average contract price was below the legal cost of doing business. We saw dozens of honest firms and thousands of local workers displaced, while exploiters thrived. At the same time, honest contractors' bids were rejected as "too high," and bid cancellation notices frequently arrived; while budget justifications claimed that the backlog was being eliminated and that declining funding was just fine.

This didn't make sense because, as every justification states, it takes 2-3 years to schedule reforestation work.

The high harvest levels up to 1980, plus the backlog obligation, means that reforestation acre-accomplishment and dollars should have increased through the early eighties, instead they radically declined. Also, since precommercial thinning is done 10-15 years after harvest, it too should be showing large increases to reflect the seventies' harvest, but instead it too is in radical decline. We analyzed the numbers and they didn't add up.

What we do know is that a lot of corners have been cut in the eighties, in accounting, in quality, in quantity, in future timber suppluy, and worst of all in labor-contracting ethics. It was clear to us, well before Gramm-Rudman, that there is undue pressure to perform without adequate funding.

### Performance Pressure, Funding Lack: Recent Evidence

Our subjective view is supported by recent scrutiny of reforestation field management. From a confidential survey of on-the-ground administrators, "...some of the work claimed to have been done in the last five years has been, in effect, a sham. Under pressures to meet acreage targets handed down from above, many knowingly did deficient work, and some admitted to reporting as completed jobs they hadn't done at all" (Wall Street Journal, Nov. 12, 1985).

This was the subject of a 1985 House Interior Committee Oversight Hearing, entitled "Region 5 U.S. Forest Service Silvicultural Program," Serial No. 99-7. We urge the appropriations staff to study this record. The allegations connected to the so-called DuLaney Study are difficult to evaluate. Our primary impression of FS personnel with respect to reforestation quality is one of dedication and integrity. On the other hand, we have seen widespread toleration of unscrupulous contractors in recent years, which could only be the result of intense pressure to perform, without the funding for legal performance.

It is significant that forestry contractors and workers spontaneously appeared at the Interior Committee Hearing to complain of unfair competition and brutal labor exploitation on n northern California reforestation contracts. For, example, the testimony of one Chris Kidwell: "I would say 80 percent...were planted by illegal aliens this year....They were abandoning them in the field, the Forest Service has records. If you look where they have vehicles who ploughed aliens out of the snow because they were running out of food, they were going to freeze to death. I personally was told by an inspector last year that illegal aliens were saving paper tree bags to sleep in at night when it was snowing," and so on (pp. 46-50).

### Gross Reforestation Contract Labor Exploitation

Most tree planting, tree thinning and other forestry labor is done by rigid low-bid contract. Labor and associated costs are 80% of the typical bid price. An honest contractor must pay the prevailing wage for local workers, high workers' compensation costs for the hazardous work ($35 per $100 of wage in Oregon), unemployment tax, social security tax, withholding, and other payroll taxes. Reforestation is remote, mobile and an interstate labor market; the typical contractor will spend the season in several states. Unfortunately, grossly illegal competition has come to dominate federal reforestation contracting nationwide. This is unfair to the honest contractors, to the abused workers, and to the displaced local workers in rural timber communities experiencing unemployment rates of 10-25%.

The Forest Service is finally at top policy levels taking steps to reduce these abuses, but under the complexities of federal acquisition regulations may lack requisite authorities. We certainly hope that the Appropriations Committee can instruct the Forest Service and Bureau of Land Management that no funds may be expended on such dishonest contractors; a clear authority is needed to end this festering scandal. The situation is truly unconscionable and demands action.

We can provide extensive news reports and other documents on these problems to any Member who requests. The abuses range from abandoning seriously injured workers, to millions of dollars of wage underpayments, to Grand Jury investigations of corrupted officials. It is the worst labor standards problem anywhere in the U.S. Govt.

## FY87 Proposed, and Recent, Reforestation Budgets

The former national commitment, and a prudent one at that, was to take all reasonable steps to increase future timber supply. For the Forest Service (and don't forget Oregon BLM forest lands), funding for backlog and current reforestation and timber stand improvement needs was intended to increase future forest productivity. By FY82, the Forest Service justification reported to Congress that funding requests were intended to maintain present productivity, and thereafter were silent until FY87's more candid justification.

The FY87 Justification forthrightly states that a maintenance level of 400,000 acres of reforestation and 400,000 acres of timber stand improvement is annually required, while requesting 334,100 acres of reforestation and 302,500 acres of TSI (incidentally, the FY75-FY85 average accomplishment is 394,500 reforestation acres and 413,010 TSI acres). The FY87 Justification states that recent and FY87-proposed budgets will cause a fall-behind of 220,000 planting acres and 163,800 TSI acres. Without explicitly mentioning the grisly labor exploitation of recent years nor the agency's new-found commitment to reduce those abuses, the Justification correctly predicts increasing contract (labor) costs. If only for undoing the extreme competition and labor abuses, a budget increase is due.

The FY87 request would be the smallest real-dollar budget since FY72, the earliest year for which we have records. It would also be the smallest reforestation and TSI acreage accomplishments since FY72, our earliest record year. We doubt that world and national population, housing demand, and lumber need will decline over the next 50 years, despite the present timber depression. We should not emulate the Canadians' timber imprudence. Reforestation and timber stand improvement opportunities can not be indefinitely deferred, but are quickly lost.

In evaluating the FY87 request, it is important to recall the warnings of recent years. Senate Interior Appropriations Subcommittee Hearings Record for FY85, p. 868: "Q: We are told that the reforestation and TSI budget proposals for 1985 would represent the lowest accomplishment rate in over 10 years and that the present allowable harvest is in jeopardy as a result. Would you agree with that? A: ....Present allowable sale quantities are not necessarily in jeopardy, since they are usually based on work done within a 10-year period. Therefore, a somewhat smaller program for one year can essentially be made up on subsequent years. Although some growth loss would occur, a one-year delay would not be sufficient to reduce the sales program" (emphasis added).

Then, the FY86 request (and appropriation) is even lower than that of FY85. Senate Interior Appropriations Subcommittee Hearings Record for FY86, p. 753: ":Your report also states: 'Nationally a total reforestation program of about 400,000 acres should maintain the present productivity, while a program of 400,000 to 450,000 acres of TSI will be needed to maintain the present allowable sales quantity.' ...As we read these comments, aren't you telling us that if we can't reforest and treat at levels significantly above current levels...we will have to reduce the sales level? (Forest Service Answer): Yes."

**From this it should be clear that all deferral slack is exhausted, and that failure to fund reforestation and TSI at maintenance levels will rapidly lead to disruptive reductions in timber sales.**

## House Appropriations Staff Report, 1985

In 1984, this organization, puzzled by declining funding, and outraged by deterioration of competition and labor standards, undertook a study of reforestation backlog funding and accomplishment. Our report concluded that reforestation backlog accomplishment was fictitious, that hundreds of thousands of acres of TSI opportunities are being lost, and that declining funding led to severe contracting and labor abuses. This exhaustive study is available upon request. In response, the House Appropriations Committee Surveys and Investigation Staff was "tasked" to examine the issues. The Staff Report was published April 26, 1985; we obtained a copy from our local federal depository a few months ago.

This Staff Report, as reflected in the House Interior Appropriations Committee Report for FY86 on reforestation and TSI, draws one appropriate and two exactly inappropriate conclusions from its findings. The appropriate conclusion is that questions remain as to how the funds approved for the eleven-year reforestation backlog effort were actually spent and what was accomplished, or to quote the report (reprinted in FY86 House Interior Appropriations Hearings Record at p. 807): "unanswerable questions remain concerning the actual number of those acres currently stocked in trees," p. iii.

If the purpose of the program is to provide for future forest values by replanting the backlog and avoiding future backlogs, then the remaining conclusions amount only to punishing the victim: the one being that since the backlog has "disappeared" then funding should be decreased; the other a vague admonition that the Forest Service can and should do more to control escalating costs.

As to the miraculous accomplishment of current needs and elimination of the backlog, with ever-declining real dollars, here are a few quotes from the Staff Report: "Accounting Ploys (p. 12)....innumerable inexplicable adjustments took place at the forest and district level....Treatments Claimed Before Work Done...the area claimed to be treated may or may not be currently stocked in trees....Accomplishments Claimed on Acreage Not Done (p. 14)...decrease in stocking level requirements (p. 20)," and so forth. Quite frankly, although there were strong real accomplishments from FY74-FY80, the backlog can not be accounted for by the agency. We suspect that the intense pressure to perform without funding caused the wholesale administrative "adjustments" from FY81-FY85.

The Staff Report, at page 17, emphasizes the cost of past and recent reforestation failures. Plantation failure is undesirable not only because of cost of retreatment, but also because later replanting means more brush competition, and growth loss on high-productive land. Spending more to avoid such failures is usually cost-effective. Many failures are controllable by requiring high-quality specifications; however, spending on high-quality performance now in order to avoid more costly but less accountable future failures opens the agency to criticism for high unit costs.

The Staff Report does just this, congratulating the agency for higher quality, then criticizing it for higher costs. The Staff Report's comparison of Forest Service and private reforestation costs is wholly erroneous. First, the private cost figure is unattributed, appears unrealistically low to the experienced eye, and is impossible to accureately evaluate. Second, the anonymous private cost figure does not contain administrative overhead. Third, private forest landowners generally hold more accessible lands. Fourth, some private landowners do only a phony job of reforestation to meet legal requirements. Fifth, some private landowners put in a low quality and quantity stand, because they have no responsibility for assuring timber supply in near decades. Sixth, some private landowners replant unburned ground, because they have the luxury of closing off their land to the recreational public (fire hazard). Seventh, although this was not the case a few years ago, many private landowners have followed the federal sector lead in engaging unscrupulous contractors who are ruthlessly exploiting illegal aliens; recent private sector costs are distorted by this immoral labor subsidy. A few industrial tree farms now more resemble cruel third-world banana plantations in their labor practices.

Finally, lest greedy workers be accused of unduly driving up reforestation costs, the Staff Report does emphasize a Forest Service internal productivity analysis which shows that *nonproject* costs have been rapidly escalating, while (from the study period FY78-FY82) "...*reforestation projects actually received decreased funding in real terms*" (emphasis original). That is certainly our experience. In any crusade to reduce costs, we do not want to be the historical victims who undergo further punishment from the culpable middle-men.

### The New "Tree-Killers"

Our association is outside the conventional mainstream of the timber industry, and some of our individual members have often taken the "environmentalist" side of controversies. However, some national environmental organizations have adopted the cynical and dangerous tactic of opposing reforestation efforts, in order to provoke future harvest reductions.

For decades the great conservationist struggle was to achieve reforestation and good management of forest lands, public and private. One benefit of that is with increased productivity on commercial forest lands, society can better afford lands set aside for recreation, wildlife, wilderness. We are dismayed by those alleged "environmentalists" who, in their rage at lacking the political power to stop harvest, would target politically-weak reforestation for budget reduction.

The danger of this backdoor tactic is that the forest attributes valued by environmentalists are less amenable to strict cost-effectiveness criteria than timber harvest or reforestation. A strict cost-accounting approach, with the inflated discount rates recommended by such advocates, would yield the conclusion that immediate liquidation of all old growth is most rational, and that the Forest Service should withdraw all resources from reforestation, recreation, wildlife and wilderness. The further danger of this "scorched-earth" tactic is that complete obstruction of timber harvest plays right into the hands of those who would privatize our public lands.

Discouraging reforestation so that there would be fewer trees in the future to face the threat of harvest, is fatuous policy. It is destroying the village in order to save it. Given our increasing population and wealth, forestry conflicts will only intensify in the future. Moderation and balance will continue to govern public land management. Investment in future forest productivity should be one of the least controversial measures in achieving that balance.

### Conclusion

Give the Forest Service and BLM authority to cease contracting with illegal and dishonest contractors.

Fund FY87 reforestation and timber stand improvement at the maximum feasible levels.

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## STATEMENT OF JOHN WESOLOWSKI, SUPERINTENDENT OF FORESTRY, CITY OF FARGO

I am John Wesolowski, Superintendent of Forestry for the City of Fargo. We are requesting your continued support of urban forestry technical assistance and research in the USDA Forest Service Budget. Maintaining the appropriation levels at $2 million and technical assistance in State and Private Forestry and $1 million in research is essential.

The State of North Dakota is considered a Prairie state where trees are difficult to grow due to extremely rigorous climatic conditions ranging from hot, drying winds in the Summer to very cold temperatures in the Winter. Despite these unfavorable growing conditions, we do have thriving Urban Forests that significantly improve the quality of life in our communities and have established a vast network of shelterbelts that protect the very basis of our wealth - our soil!

Characteristic to our Urban Forests is the presence of a large number of american elm. The reason for this condition is that the american elm is probably the most versatile specie in our area capable of establishment even under the most difficult of growing conditions which is why we see this tree as a dominant tree in many of our communities.

Planting into a single specie can create circumstances whereby insects and disease can disturb the stability of a forest. In our local situation, Dutch Elm Disease is firmly entrenched and is slowly killing american elms in our communities. We realize that the more tree populated communities in the East have dealt with this problem several decades ago but the problem is compounded in North Dakota due to the fact that we do not have sufficient combination of trees that can be used as replacements.

Federal Urban Forestry funding has been especially helpful in many of our smaller communities who do not have a tax base large enough to staff a professional Forester who can provide the technical expertise and planning needed to develop a workable urban forest management plan. The North Dakota Forest Service has administered the urban forestry program in the state and has made contact with 128 communities with some form of technical assistance using federal urban forestry funding.
I have enclosed a short summarization by our State Forester in this regard. With professional guidance and planning, North Dakota's Second Urban Forest will be free of the problems associated with trees first planted at the time our communities were being built.

Research in Urban Forestry is also needed to produce genetically improved trees capable of withstanding the difficult growing conditions encountered in communities through-out the United States and also to scientifically identify how trees enhance the quality of life in urban areas. Projections have been made that up to 80-90% of our total population will ultimately reside in cities.

Population densities of that magnatitude are usually associated with large areas of concrete, pollution and environmental degradation.

Research specific to:

1. Tree performance
2. Urban soils
3. Maintenance practices
4. Urban wood utilization
5. Tree improvement

will be of great help in producing high quality urban forests that will enhance the quality of life in our communities.

Mr. John Wesoloski
City Forester
402 23rd Street North
Fargo, ND 58102

March 6, 1986

Dear John:

This is in reply to your request for information on the urban forestry program in North Dakota. Our organization, the North Dakota Forest Service has administered the urban forestry program in the state with the use of federal urban forestry funds. To date, 128 communities have received some form of assistance (inventories, management plans, ordinance formulation, information presentations, etc.). I believe this is significant in a sparsely populated state with many small, scattered communities. North Dakota also has attained a level of recognized Tree City U.S.A. communities well above the national average. This has all been due in large part to the federal funding that was allocated to North Dakota. This funding, although certainly not large, has been targeted toward a special problem and I feel that it has provided maximum benefits. Continuation of the funding is imperative if we are to build on the foundation that is in place. Follow-up work with the communities continues. Thirteen urban forestry workshops will be held this year at strategic locations throughout the state to continue the educational effort and provide technical assistance. The workshops will add to the expertise of persons in the small communities.

Sincerely,

Robert E. Johnson
State Forester

## Statement of David L. Sumner, Chairman, Watershed Fire Council of Southern California

The Watershed Fire Council of Southern California is a citizens advisory group appointed by the Boards of Supervisors of nine Southern California counties, serving over 15 million people. The Council is dedicated to the conservation, wise use and protection of the Forest and watershed areas from disastrous wildfires. Public costs and losses in Southern California average more than $45 million per year.

The U. S. Forest Service, in cooperation with State, county and municipal fire agencies, is struggling with increasing fire protection problems in areas characterized by high Forest fire hazards, and increasing use, with the statewide population increasing by more than 400,000 persons annually.

The Council recognizes the critical importance of the National economy. We support the goal of a balanced Federal budget. The Council advocates the most cost effective approach to reducing the deficit in the area of Forest fire and watershed protection. This approach is to fund programs at the level where the majority of wildfires are prevented; or when fires do start, they can be controlled before they become major conflagrations. History, as again demonstrated in 1985, shows that when fire protection forces are reduced below the minimum required for adequate protection, more large fires occur and excessive emergency costs and damages result. During just one period, late June to mid-July 1985, some 40 wildfires raged throughout California. More than 375,000 acres burned. Control costs alone exceeded $45 million. A strong watershed fire protection program is essential. Less than adequate appropriations now will result in far greater future costs in dollars, in soil and water resource losses, flood damages and human suffering.

The Council seeks your support for the following vital and cost effective programs for FY-87. These are consistent with the goal of a balanced Federal budget.

I. FOREST FIRE PROTECTION
(Listed under National Forest System - Land and Resource Protection

| | |
|---|---|
| Recommended FY-87 | 182.5 million |
| Administration's proposal FY-87 | 147.2 million |
| Funded FY-86 (Before Sequestering) | 156.7 million |
| Funded FY-86 (After Sequestering) | 151.4 million |
| Funded FY-85 | 156.7 million |

The Council's recommended FY 87 appropriation is the same as for the most cost efficient program calculated by the current National Fire Management Analysis. This level of appropriation will provide a program which produces the lowest cost considering the sum of this appropriation, expected wildfire suppression expenditures, and expected net resource value changes due to wildfire.

Though Congress recognizes the most cost efficient funding level, they have been unable to totally fund this level to date (the 1986 Budget Explanatory Notes for Committee on Appropriations, pages 134-144, describe the most efficient fire organizations). The proposed 1987 funding is almost $35.3 million below the most efficient level as based on economic analysis.

Congress has budgeted funds at a stable level during recent years. However, there have been sharp increases in the costs of specialized fire equipment, contract air tankers and helicopters from private industry, payrolls, rents and utilities. These costs have risen faster than the rate of inflation. In addition, the Forest Service has had to shift a portion of its budget to do important Forest Planning. As a result, there have been reductions in firefighting forces, fuels management and fire prevention. During 1985, $700,000 in special fire severity funds had to be made available for the California Region of the Forest Service to respond to the on-going fire season.

Chaparral and related plant communities grow on the majority of watershed areas in Southern California, creating one of the highest natural fire hazards in the world. An objective of the Forest Service and other cooperating fire protection agencies is to manage these plant communities by systematically treating the vegetation to establish a mosaic of various age classes. This provides benefits to other resources; e.g., water, soil, wildlife, as well as for fire protection.

The use of prescribed fire is proving to be cost efficient in establishing the desired mosaics. Mosaics assist in fire protection where the spread of wildfire is slowed and wildfire intensity reduced by the younger vegetation, making safer fire suppression accessibility. Approximately 95,000 acres have been treated by prescribed fire on Southern California National Forests in the last 5 years. This averages 19,000 acres per year. 60,000 acres need to be treated annually in order to create and maintain the desired mosaics. Essential fuelbreaks must be maintained. These measures will eventually reduce the annual National firefighting supplement, now at $70 million.

## II. RURAL FIRE PREVENTION AND CONTROL

(Listed under State and Private Forestry - Fire Protection)

| | | |
|---|---|---|
| Recommended FY-87 | 21.8 | million |
| Administration's proposal FY-87 | 3.4 | million |
| Funded FY-86 (Before Sequestering) | 13.7 | million |
| Funded FY-86 (After Sequestering) | 13.0 | million |
| Funded FY-85 | 13.7 | million |

This program provides assistance to State and local governments in providing fire protection on high value watershed and urban/wildland interface areas. A continued Federal, State and local cooperative effort is necessary to protect the Nation's State and private resources; facilitate transfer of new technology; and expand concepts such as shared resources and coordinated management of multi-jurisdictional emergencies. These efforts reduce downstream flood threats and Federal emergency costs. Much of the increased use resulting from population growth is occuring on these privately owned Forest and rural watershed areas. The program needs to be strengthened to ensure adequate protection on both non-Federal lands and adjacent Federal lands.

## III. FIRE RESEARCH

(Listed under Forest Research: Land and Resource Protection Research: Fire and Atmospheric Sciences Research)

| | | |
|---|---|---|
| Recommended FY-87 | 10.4 | million |
| Administrations proposal FY-87 | 7.5 | million |
| Funded FY-86 (Before Sequestering) | 8.1 | million |
| Funded FY-86 (After Sequestering) | 7.7 | million |
| Funded FY-85 | 7.9 | million |

Devastating wildfires in California and other states during 1985 again point up the need for a strong National Fire Research Program. Cut-backs in this work have curtailed progress in developing new basic knowledge and methods to meet these problems in the most cost efficient manner. Research is especially needed in the following:

- Better understanding of fire behavior in chaparral type vegetation both in wildfire situations and development of improved prescribed burning guides to help meet fire hazard reduction objectives.

- Develop methods for allocating fire management funds so as to more clearly identify and evaluate the cost/benefits of fire management programs.

- Improve methods to predict weather, both long and short term, with special emphasis on local wind currents in mountainous terrain.

- Better understanding of the interaction of fire and its effects on soil, water, air quality and vegetation.

The budget for research has declined by 25% since FY-82. Restoration of the budget to the 1982 level, adjusted for inflation, is needed to restore the research program to a level where the above vital issues can be addressed.

IV. FLOOD PREVENTION OPERATIONS
(Agricultural Budget - Soil Conservation Service) (Transfer Funds)

| | | |
|---|---|---|
| Recommended FY-87 | 24.0 | million |
| Administration's proposal FY-87 | 0 | million |
| Funded FY-86 (Before Sequestering) | 23.2 | million |
| Funded FY-86 (After Sequestering) | 22.3 | million |
| Funded FY-85 | 23.2 | million |

Two flood prevention projects authorized by Public Law 78-534 involve National Forest land in Southern California for which Congress's intent is to reduce the impacts of fire and flooding on downstream urbanized areas. These are the Santa Ynez and Los Angeles watersheds, both Federal and non-Federal lands.

PL-534 funding has provided for accomplishment of the following prevention measures: 495 miles of fuelbreaks, 419 miles of fire road construction, 1600 acres of road stabilization, 500 channel stabilization structures, 56,000 acres of seeding for slope stabilization, 16,000 acres of chaparral fuel treated by prescribed burning, and a high level of fire protection. These measures have prevented resource losses valued at more than twice the cost of installation.

Fire prediction models indicate that curtailment of on-going work in these watersheds will result in the annual loss of an addition 8500 acres to wildfire and additional suppression cost of $1.6 million. Additional cost of sediment removal and flood damage would be approximately $2.6 million annually.

The Council recommends PL-534 continue to be funded at the FY 85 level to allow for completion of identified critical work.

## Statement of Charles A. Stewart, Chairman, Legislative Committee, Illinois Arborist Association

As Chairman of the Legislative Committee of the Illinois Arborist Association, I have a long standing and sincere interest in urban forestry. I and Association members, are very concerned about the proposed appropriation for the urban forestry line item in the USDA Forest Service 1987 budget. I believe that it is essential to maintain funding levels at $2.0 million for this important project.

Although the funding level for urban forestry has been minimal, the benefits of the efforts have been significant. For example, in my home state of Illinois, Forest Service technical assistance and grant monies have been used to support and enhance state level programs. The benefits of this project for the communities in Illinois have been significant.

Research done to benefit urban forestry efforts is also critical to improving the quality of life for residents of cities and towns. This funding is part of the Forest Service's Forest Recreation Research budget, and not a separate line item. The Association feels this research has been very valuable and request the funding be maintained at last year's level of about $1 million.

The Research Project in Chicago is a fine example of the many positive benefits that research provides. Without this effort, our understanding and management of vital urban forest resources would be greatly diminished.

The Illinois Arborist Association is a professional organization of municipal foresters, utility arborists, commercial arborists, researchers, educators, and many others interested in the welfare of shade and ornamental trees which make important contributions to the urban environment. The 250 members of the Illinois Arborist Association comprise the Illinois Chapter of the 3,380 member International Society of Arboriculture.

On behalf of this constituency, I thank you for this opportunity to submit a statement for the record.

## STATEMENT OF KEN BAILEY, STAFF FORESTER, GEORGIA FORESTRY COMMISSION

I am Ken Bailey, Staff Forester, of the Georgia Forestry Commission in Atlanta, Georgia. As Coordinator of the Urban Forestry Program for the Georgia Forestry Commission I am deeply interested in the appropriations for the urban forestry line item in the USDA Forest Service 1987 budget. I believe it is essential to maintain funding levels at $2.0 million for this important project.

Although the funding level for urban forestry has been minimal, the benefits have been significant. For example in the state of Georgia, Forest Service technical assistance and grant monies have been used to produce much needed information and educational material. Films, slide shows and literature are available today to tell of the benefits of maintaining healthy urban forest that otherwise would not have been possible. These various forms of media are working now and will continue there usefulness for many years benefiting untold thousands of Georgia citizens.

Research done to benefit urban forestry efforts is also a very important part of improving the quality of life for residents of our cities. This funding is part of the Forest Service's Forest Recreation Research budget, and not a separate line item. This research has been very valuable. We request the funding be maintained at last years level of about $1 million. Research about the values of trees in the urban environment has been especially useful in persuading cities, counties, builders and developers to spend more effort to save trees rather than destroy them around new construction. Also research on site and species selection has been widely used in Georgia.

Georgia is very fortunate to have such a vast urban forest. But with the great demand for roads, housing, business, etc., pressures placed upon this resource is tremendous. With 75% of the states population and 50% of the jobs being in the urban marketplace we must do as much as we can to educate ourselves and the public about the importance that trees play in the high quality of life we all strive for.

Thank you for this opportunity to express our concern for the continued support for wise management of the urban forest resources.

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## STATEMENT OF JACK WARREN, EXECUTIVE VICE PRESIDENT, FOREST FARMERS ASSOCIATION

Mr. Chairman and Members of the Committee, my name is Jack Warren, Executive Vice President of Forest Farmers Association, an organization composed of private timberland owners concentrated in 15 southern states and other interested citizens nationwide.

I appreciate the opportunity to submit a statement to this committee.

My statement is directed toward the President's budget request for U.S. Forest Service's State and Private and Research f.y. 1987 appropriations. We strongly support the President's efforts to balance the federal budget, and recognize that funding for all activities and programs must be carefully scrutinized and evaluated. We do urge, however, that reductions be made on a priority basis with the essential and most highly cost-effective forestry programs maintained at least at basic minimum levels. Our Nation's forest development is vital to its long-range economic health, and certain programs such as fire protection, insect and disease control, and research should be administered on a continuing basis.

We are very much concerned that the Administration's continuing restrictive budget allocations for natural resource agencies, along with the Gramm-Rudman-Hollings cuts, will completely strip the vital federal forestry programs that assist private timberland owners in managing their trees. Mr. Chairman, as you know, the modest investment made by the federal government in natural resource management and protection programs has not caused the deficit, and severe cuts in these much needed programs will have very little effect on solving our deficit problems.

Our association recommends the following:

### State and Private Forestry

The President's budget request reflects a 56 percent reduction from the f.y. 1986 level for State and Private Forestry. We urge this committee to consider providing funds for Forest Pest Management, Fire Protection and Forest Management and Utilization at the 1986 level, which was a reduction from the 1985 level. The President's proposed budget would strip cooperative forestry funds to the states.

Since most states are not capable of compensating for these lost funds, protection from fire, insect and disease would be at a most vulnerable level. Also, technical assistance to landowners would be eliminated. A cut this drastic would not give the states adequate time to generate funds to take over the programs cut.

The State and Private Forestry program is less than 1 percent of the total Forest Service budget. Actually, it amounts to less than one-half of one percent when pest management funds for federal forest lands are taken out. According to the President's 1987 budget, there will be no funds available for pest management on private lands. We urge this committee to review the importance of a unified state and private forestry program, nationwide, with federal participation to protect our forest resources from fire, insects and disease. We feel that the state forestry agencies are a very important part of meeting our nation's wood needs and support their efforts in regaining funds lost over the past few years. We recommend funding for State and Private Forestry at the 1986 level of $55.978 million.

## Research

We recommend that federal forest research programs be maintained at the same level as in f.y. 1986, or at $125.5 million. We recommend also that any such reduction, which may be dictated by inflation, be allocated on a priority basis, rather than across the board. Key programs and activities such as the Forest Survey; Fire, Insect and Disease Protection and Control; Pine and Hardwood Regeneration and Forest Utilization Research should not be reduced below f.y. 1986 levels. The competitive grants program should be funded again at the 1986 level of $6.799 million. We recommend that the Sewanee, Tennessee hardwood research station be maintained and funded at the 1986 level. These research programs and activities are of vital importance to private nonindustrial landowners as well as to forest products industries in the South and across the Nation. The U.S. Forest Service research program is very well conceived and administered and is respected by the forestry community. Research is one activity in which the federal government is best equipped to exert a leadership role.

In conclusion, while the state and private forestry and research programs total less than 5 percent of the total Forest Service budget, our association feels it is extremely important that they be maintained at least at the 1986 level and on a priority basis.

Your committee over the years has demonstrated a deep understanding and support for adequate federal forestry programs. This support has been most gratifying, and I thank you on behalf of forest landowners and private forest interests in the South for the fine programs your insight has made possible.

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## Statement of the National Association of Counties

THE NATIONAL ASSOCIATION APPRECIATES THIS OPPORTUNITY TO PRESENT ITS VIEWS ON THE ADMINISTRATION'S FISCAL 1987 BUDGET PROPOSAL FOR THE DEPARTMENTS OF AGRICULTURE AND INTERIOR, SPECIFICALLY THE SYSTEM OF FOREST AND MINERAL PAYMENTS TO COUNTIES AND SCHOOLS.

UNDER CURRENT FEDERAL LAW, 25% OF THE GROSS RECEIPTS GENERATED FROM ACTIVITIES ON NATIONAL FOREST LANDS ARE RETURNED, VIA THE STATES, TO THE COUNTIES IN WHICH THE FOREST ARE LOCATED, TO BE USED FOR PUBLIC ROADS AND SCHOOLS. SIMILAR PROVISIONS EXIST IN DISTRIBUTIONS OF MINERAL AND FOREST RECEIPTS MADE BY THE BUREAU OF LAND MANAGEMENT ON PUBLIC DOMAIN AND OTHER LANDS ADMINISTERED BY THE BUREAU. PERCENTAGES RETURNED TO COUNTIES FROM THE BUREAU OF LAND MANAGEMENT VARY FROM 4% to 50% OF GROSS RECEIPTS, DEPENDING UPON THE LAND USE ACTIVITY.

SINCE 1920, INTERIOR HAS RETURNED TO STATES AND COUNTIES 50% OF GROSS ON-SHORE OIL AND GAS RECEIPTS. THE INTENT OF ALL OF THESE RECEIPT SHARING PROGRAMS WAS INTENDED TO PROVIDE SUPPORT FOR ASSOCIATED COSTS BY LOCAL GOVERNMENT IN THE DEVELOPMENT OF NATURAL RESOURCES ON THOSE FEDERAL LANDS AND TO OFFSET THEIR NONTAXABILTY.

IN ITS FISCAL 1987 BUDGET, THE ADMINISTRATION HAS PROPOSED CHANGING THE BASIS FOR THESE FOREST AND MINERAL PAYMENTS BY DEDUCTING FROM GROSS RECEIPTS, THE FEDERAL COSTS INCURRED IN GENERATING THE RECEIPTS BEFORE SHARING THE REMAINDER ACCORDING TO CURRENT FORMULAS.

UNDER CURRENT LAW, THE ADMINISTRATION PROJECTS THAT PAYMENTS FROM NATIONAL FORESTS TO COUNTIES AND SCHOOLS WOULD BE $218 MILLION IN FISCAL YEAR 1986, AND UNDER THE ADMINISTRATION'S PROPOSAL, THESE PAYMENTS TO COUNTIES AND SCHOOLS IN FISCAL YEAR 1987, WOULD BE $85 MILLION. THIS WOULD MEAN A CUT OF APPROXIMATELY 61% BETWEEN FISCAL 1986 AND 1987 PAYMENTS. BECAUSE OF VARIATIONS OF DISTRIBUTION TO INDIVIDUAL COUNTIES DEPENDENT UPON ACREAGE AND HARVEST ACTIVITY, THE ACTUAL REDUCTIONS COULD BE GREATER. REVENUE TO OREGON COUNTIES FROM REVESTED OREGON AND CALIFORNIA RAILROAD LANDS IS ESTIMATED BY THE ADMINISTRATION TO BE $65 MILLION IN FISCAL YEAR 1986 DISTRIBUTED UNDER CURRENT FORMULA AND $40 MILLION IN FISCAL YEAR 1987 UNDER THE ADMINISTRATION'S PROPOSAL.

THE IMPACT ON RURAL COUNTIES WITH LARGE TRACTS OF FEDERAL PUBLIC LANDS COULD BE SEVERE. THE NATIONAL ASSOCIATION OF COUNTIES STRONGLY OPPOSES THE ADMINISTRATION PROPOSAL.

## COUNTY IMPACT

AS STATED, THE PURPOSE OF RECEIPT SHARING PROGRAMS FROM NATURAL RESOURCE DEVELOPMENT, HARVEST AND USE ON FEDERAL PUBLIC LANDS IS TO HELP COUNTIES MITIGATE THE IMPACTS FROM THE USE OF THOSE LANDS. BECAUSE IT WAS NECESSARY THAT SOME MEANS BE FOUND TO ENABLE COUNTIES TO MAINTAIN THE ROADS AND BRIDGES ESSENTIAL TO SUPPORT THESE ACTIVITIES, CONGRESS DECIDED IN 1908, THAT 25% OF GROSS FOREST RECEIPTS SHOULD BE RETURNED TO COUNTIES. SUBSEQUENT FEDERAL ACTS RETURNED RECEIPTS FROM LANDS AND MINERALS ADMINISTERED BY INTERIOR, PRINCIPALLY THROUGH THE BUREAU OF LAND MANAGEMENT, AGAIN, FOR THE SAME REASON.

BECAUSE THE ADMINISTRATION PROPOSAL WOULD RESULT IN DRASTIC CUTS IN COUNTY FOREST RECEIPTS THROUGHOUT THE COUNTRY, COUNTIES ARE EXTREMELY CONCERNED THAT THEY WILL BE UNABLE TO PROVIDE ADEQUATE MAINTENANCE OF TRANSPORTATION SYSTEMS WHICH SUPPORT THE MANY FEDERAL PROGRAMS THAT OCCUR ON FEDERAL PUBLIC LANDS. THE IRONY OF THIS PROPOSAL IS THAT ROAD MAINTENANCE IS VITAL TO THE ACTIVITIES ON NATIONAL

FORESTS AND INTERIOR LANDS WHICH GENERATE REVENUES FOR THE U.S. TREASURY. YET, AS TIMBER, MINERAL AND RECREATION ACTIVITIES INCREASE, COUNTIES WOULD HAVE TO COPE WITH THE INCREASED STRAIN ON ROADS WITH DRASTICALLY REDUCED OR NO REVENUES.

TO BE SPECIFIC, INCREASED LOGGING ACTIVITY CREATE COSTLY ROAD PROBLEMS. THE VOLUME OF LOGS TRANSPORTED HAS A DIRECT BEARING ON BOTH CONSTRUCTION AND MAINTENANCE COSTS. MANPOWER COSTS INCREASE FOR MONITORING LEGAL ROAD LIMITS, SAFETY EQUIPMENT AND TRAFFIC ENFORCEMENT.

IN THOSE COUNTIES WHERE THERE IS A HIGH RECREATION USE, THE SAME ROADS MUST SUPPORT A LARGE INFLUX OF VISITORS. NATIONAL FOREST AND OTHER FEDERAL PUBLIC LAND IS ACCESSIBLE TO THESE VISITORS THROUGH COUNTY ROADS. MINERAL EXPLORATION AND DEVELOPMENT ON PUBLIC LANDS ALSO HEAVILY IMPACTS COUNTY ROAD SYSTEMS.

UNDER THE ADMINISTRATION PROPOSAL, COUNTIES WILL BE SUBSIDIZING NATIONAL FOREST LOGGING, RECREATIONAL, AND ENERGY DEVELOPMENT ROAD SYSTEMS. LOCAL REVENUES WILL THEN BEAR A DISPROPORTIONATE BURDEN FOR THIS FEDERAL IMPACT ON THEIR COUNTIES.

THOUGH IT IS NOT YET CLEAR WHAT EXACTLY IS MEANT BY THE ADMINISTRATION AS TO WHAT CONSTITUTES THE "FEDERAL COSTS INCURRED", IT APPEARS AS THOUGH THE ADMINISTRATION, THROUGH ITS PROPOSAL REFLECTS A BASIC MISUNDERSTANDING OF PUBLIC LAND MANAGEMENT. DESPITE ITS ERRONEOUS CLAIM THAT THE DEPARTMENTS OF AGRICULTURE AND INTERIOR DO NOT RECOVER THEIR COSTS OF MANAGING PUBLIC TIMBER, OTHER PUBLIC LAND MANAGEMANT GOALS MUST BE CONSIDERED.

FIRST, THE 155 NATIONAL FORESTS ARE NOT JUST TREE FARMS, DEVOTED SOLELY TO GROWING TREES FOR PROFIT. NOR ARE THE PUBLIC DOMAIN LANDS ADMINISTERED BY THE BUREAU OF LAND MANAGEMENT. BY LAW, THESE LANDS ARE MANAGED FOR NUMEROUS VALUES. FROM THE FIRST, THE FOREST SERVICE HAS MANAGED THE NATIONAL FORESTS FOR A VARIETY OF GOODS AND SERVICES -- WOOD, WATER, FORAGE, WILDLIFE, OUTDOOR RECREATION, WILDERNESS AND MINERALS. THIS IS CALLED THE MULTIPLE USE CONCEPT.

THE MULTIPLE-USE SUSTAINED-YIELD ACT OF 1960 DIRECTS THAT NATIONAL FORESTS BE MANAGED "WITH CONSIDERATION BEING GIVEN TO RELATIVE VALUES OF VARIOUS RESOURCES AND NOT NECESSARILY THE COMBINATION OF USES THAT WILL GIVE THE GREATEST DOLLAR RETURN OR THE GREATEST UNIT OUTPUT." A SIMILAR PROVISION IS CONTAINED IN THE BLM ORGANIC ACT OF 1976.

PUBLIC LANDS ARE MANAGED FOR NUMEROUS "PRODUCTS" AND AMENITIES IN ADDITITION TO TIMBER. MANY OF THESE ADDITIONAL BENEFITS ARE DERIVED THROUGH THE PROCESS OF HARVESTING TIMBER. HARD TO MEASURE IN ECONOMIC TERMS, THEY MUST BE CONSIDERED IN MEASURING THE EFFECTIVENESS OF PUBLIC LANDS MANAGEMENT. SUCH BENEFITS INCLUDE

VEGETATIVE MANAGEMENT, INVESTMENTS IN FUTURE TIMBER GROWTH, INSECT AND DISEASE CONTROL, ACCESS FOR RECREATION AND FIREWOOD GATHERING, WATERSHED IMPROVEMENT AND WILDLIFE MANAGEMENT IMPROVEMENT. FREQUENTLY A COMMERCIAL TIMBER SALE IS THE MOST EFFECTIVE MANNER TO ACHIEVE THESE OTHER RESOURCE BENEFITS.

ROADS ARE ANOTHER BENEFIT OF TIMBER SALES. ALTHOUGH ROADS ARE NOW CHARGED AS A COST AGAINST THE IMMEDIATE TIMBER SALE, THEY ARE ALSO AN INVESTMENT IN THE FUTURE. THOSE ROADS WILL PROVIDE ACCESS TO LATER HARVESTS ON THE SALE AREA AND TO OTHER TIMBER SALES. ALSO, THEY OFFER ACCESS FOR FIRE PROTECTION AND OTHER FOREST USES. IF ROAD COSTS WERE APPORTIONED TO OTHER FOREST USES, TIMBER SALE PROFITABILITY WOULD IMPROVE EVEN MORE.

PERHAPS THE MOST IMPORTANT CONSIDERATION IS THE ROLE OF PUBLIC LANDS IN BUILDING AND SUSTAINING THE ECONOMY IN GENERAL. IN OREGON TIMBER SALES FROM PUBLIC LANDS HELPS GIVE STABILITY TO LOCAL COMMUNITIES AND IS VITAL NATIONALLY AS THE MAJOR SOURCE OF SOFTWOODS USED IN HOME AND COMMERCIAL CONSTRUCTION.

OVER THE YEARS, ABOUT $10.4 BILLION HAS BEEN RETURNED TO THE U.S. TREASURY FROM THE SALE OF NATIONAL FOREST TIMBER. OVER $1 BILLION HAS BEEN RETURNED TO THE TREASURY FROM REVESTED OREGON AND CALIFORNIA RAILROAD LANDS MANAGED BY THE BUREAU OF LAND MANAGEMENT IN OREGON. EVEN IN 1982, A SLUMP YEAR IN NATIONAL HOMEBUILDING, TIMBER SOLD FROM NATIONAL FORESTS EXCEEDED THE COSTS OF THE TIMBER SALE PROGRAM BY $47 MILLION ACCORDING TO USDA NATIONAL FOREST STATISTICS.

SINCE THE 1970'S, THE NATIONAL ASSOCIATION OF COUNTIES HAS SUPPORTED CUTS IN CERTAIN FEDERAL DOMESTIC ASSISTANCE PROGRAMS. COUNTIES HAVE ALREADY ABSORBED OVER $30 BILLION IN CUTS SINCE 1981. EVEN SO, WE RECOGNIZE THE NEED OF EACH LEVEL OF GOVERNMENT TO SHARE THE BURDEN IN DECREASING THE NATIONAL DEFICIT.

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## STATEMENT OF WILLIAM N. GRANNELL, PUBLIC LANDS SPECIALIST, ASSOCIATION OF OREGON COUNTIES AND THE NATIONAL ASSOCIATION OF COUNTIES

My name is William Grannell. I serve as Public Lands Specialist for the Association of Oregon Counties in Salem, Oregon. The Association represents all 36 counties comprising the state of Oregon.

Both the Association of Oregon Counties and the National Association appreciate the opportunity to present our views on the Administration's FY 1987 budget proposal for both the Department of Agriculture and the Department of Interior, specifically the proposal dealing with forest and mineral payments to counties and schools.

Under current federal law, 25 percent of the gross receipts generated from forest and mineral activities on are returned, via the states, to counties in which the forests are located, to be used for public roads and schools. Similar provisions exist in distributions of mineral and forest receipts made by the Bureau of Land Management on Public Domain and other lands administered by the Bureau. Percentages returned to counties from the Bureau of Land Management vary from 4 to 50 percent of gross receipts, depending upon the land use activity. Since 1920, Interior has returned to states and counties 50 percent of gross on-shore oil and gas receipts. Distribution of oil and gas payments from the states to local governments and schools is a local determination and varies from state to state dependent upon their needs. The intent of all of these receipt sharing programs was to provide support for the associated costs incurred by local government in the development of natural resources on those federal lands and to offset the lands nontaxability by counties and schools.

In its FY 1987 budget, the Administration has proposed changing the basis of computation for these forest and mineral payments by deducting from the gross receipts, federal costs incurred on these federal lands that are related to sale of the natural resources. Following the deduction of "costs", the remaining money is distributed according to current formula. This is referred to in the budget documents as a "net receipt" program.

Under current law, the administration estimates that payments from National Forests to counties and schools would be $218 million in FY 1986. Under the Administration's proposal, these payments to counties and schools in FY 1987, would be reduced to $94 million. This 57 percent cut, because of the variations in costs assigned from National Forest to National Forest, would be distributed in an unequal fashion with some receiving counties and school districts receiving no payments for forest products harvested in FY 1987.

Revenue to Oregon counties from revested Oregon and California railroad lands is estimated in the President's FY 1987 budget documents to be $65 million in FY 1986, distributed under existing law, and to be only $40 million in FY 1987 using the "net receipt" concept put forth by the Administration.

The impact on rural counties with large tracts of federal public lands will be severe. For that reason, both the Association of Oregon Counties and The National Association of Counties strongly opposes the Administration proposal.

**County Impact**

As stated, the purpose of receipt sharing programs from natural resource development and use on federal public lands is to help counties mitigate the impacts from that development and use. Because it was necessary that some method be found to enable counties to develop and maintain the roads and bridges essential to support these public lands activities, Congress decided in 1908, to enter into a partnership with county government. By sharing with counties 25 percent of the gross forest receipts to be used exclusively for development and maintenance of roads, the federal government was assured that a road system it needed would be created. Subsequent federal acts required that a portion of the amount paid to counties be used to assist in paying for public schools -- the argument presented hinged on the philosophy that had these been state lands, certain sections would have been designated as school lands and sold or developed for that purpose. Other federal natural resource acts dealing with grazing lands, grasslands and mineral development were patterned similarly.

Because the Administration proposal would result in drastic cuts in county forest receipts throughout the country, counties are extremely concerned that they will be unable to provide adequate maintenance of the transportation systems which support the many federal programs that occur on public lands. The irony of this proposal is that road maintenance is vital to the activities in National Forests and Interior lands which generate revenues for the U.S. Treasury. Under this proposal, the only conclusion that can be reached is that counties will have a severely curtailed road and bridge maintenance program and this will directly reflect in reduced federal public land revenues.

To be specific, increased logging activity creates costly road problems. The volume of logs transported has a direct bearing on both construction and maintenance costs. Mineral exploration and development on public lands also heavily impact the county road system. Manpower costs increase dramatically to monitor legal road limits, safety equipment and traffic enforcement. Attached to this testimony are exhibits that show an assessment of the Oregon county road system, a comparison of federal lands to private lands within each Oregon county, and an estimated cost to repair, maintain and meet federal standards for the Oregon county road system.

In those counties where there is a high recreation use, the same roads must support a large influx of visitors. National Forests and other federal public lands is largely accessible to these visitors only by traveling connecting county roads. Visitors bring additional costs in law enforcement, sanitation and public safety activities. One county search and rescue operation on federal public lands can easily become a major expense to some of the smaller, rural Oregon counties.

Under the Administration proposal, counties will be subsidizing National Forest logging, recreation and energy development. Local residents will then bear a disproportionate burden for this federal impact on their counties. The partnership between the federal government and counties adjacent to public lands will have broken down.

**Forest Costs**

Though it is not yet clear exactly what is meant by the Administration when mention is made in the budget documents of "federal costs incurred", it appears as though the Administration, through its proposal reflects a basic misunderstanding of public land management. It is erroneous to claim that the Departments of Agriculture and Interior do not recover their cost of managing public lands, when other management goals are considered.

First, as Chief Max Peterson told the Interior and Related Agencies Subcommittee of the House Appropriations Committee in testimony in 1982 regarding "deficit timber sales", the 155 National Forests are not just tree farms, devoted solely to the growing of trees for profit. The same is true of the Public Domain lands administered by the Bureau of Land Management. By law, these lands are managed for numerous values. From the first days of this nation, public lands have been managed for a variety of goods and services -- wood, water, forage, wildlife, and minerals. Over time these uses have been expanded adding outdoor recreation and wilderness. Today, this concept is called multiple use.

The Multiple-Use Sustained-Yield Act of 1960 directs that national forests be managed "with consideration being given to relative values of various resources and not necessarily the combination of uses that will give the greatest dollar return or the greatest unit output." A similar provision is contained in the BLM Organic Act of 1976.

Public lands are managed for numerous "products" and amenities in addition to timber. Many of these additional benefits are derived through the process of harvesting timber. Hard to measure in economic terms, they must be considered in measuring the effectiveness of public lands management. Such benefits include vegetative management, investments in future timber growth, insect and disease control, access for recreation and firewood gathering, watershed improvement, and wildlife management improvement. Frequently a commercial timber sale is the most effective manner to achieve these other resource benefits.

Roads are another benefit of timber sales. Although roads are now charged as a cost against the immediate timber sale, they are also an investment in the future. They will provide access to later harvests on the sale area, access for fire protection, access for recreational uses. If road costs were apportioned to other forest uses, as they should be, timber sale profitability would improve markedly.

Perhaps the most important consideration is the role of public lands in building and sustaining the economy in general. In Oregon timber sales from public lands helps give stability to local communities and is vital nationally as the major source of softwoods used in home and commercial construction. Since the 1908 Act, National Forests have returned approximately $10.4 to the U.S. Treasury from the sale of timber. More than $1 billion has been paid into the Treasury from Revested Oregon and California Railroad Lands since 1937. These lands are managed in Oregon by the Bureau of Land Management. Even in 1982, a year when national homebuilding was nearly at a standstill, timber sold from National Forests exceeded the cost of the timber sale program by $47 million according USDA National Forest statistics.

Since the 1970's, both the Association of Oregon Counties and the National Association of Counties has supported cuts in certain federal domestic assistance programs. Counties have already absorbed over $30 billion in federal program cuts since 1981. Even so, we recognize the need of each level of government to share the burden of decreasing the national deficit. But, while the federal government has serious budget difficulties, county fiscal affairs are in no better shape. According to 1982 Census of Government, counties reported an outstanding aggregate debt of $45 billion, an amount in excess of the total of locally generated receipts of all counties. County debt is on the rise because counties by and large cannot finance county services as well as provide the federally mandated programs, on their limited tax bases. In Oregon the majority of counties are operating with substantially less employees than were working for county government in 1980, many county services are no longer provided and courthouses are only open for a part of the week. Contrary to arguments presented by the Administration that local government is fat and that we have not tapped the tax resources that are available, we do not have the resources to subsidize activity on federal public land. If substantial forest and mineral revenues are not shared on the same basis as they are today, the county transportation network which supports federal public land activity will collapse.

The management and long-term policies on the National Forests are of great importance to public lands counties. Counties are extremely supportive of measures to enhance natural resource management. Yet we find it extremely troublesome that in seeking to increase public land management investments, the Administration has proposed a solution that creates no new revenue either through better management of the resources or increased public land activity, but instead takes from its local government partners diminishing their effectiveness to maintain a related transportation system.

As we have stated, federal public lands have many purposes, of which the economic benefit is difficult to determine. To look at only this one phase of public land activity and require it assume a broad range of federal costs that provide other public benefits is unfair. We strongly oppose the Administration's proposal to change the computation of natural resource payments to state and local government from gross revenues to net.

## EXHIBIT ONE

### State and Federal Public Land by County*
January 8, 1986

| County | Acres | Nat. For. | % | BLM | % | State For. | % | Total % |
|---|---|---|---|---|---|---|---|---|
| Baker | 1,976,960 | 648,322 | 32.8 | 367,930 | 18.6 | 120 | 0.0 | 51.4 |
| Benton | 434,560 | 16,296 | 3.8 | 57,564 | 13.0 | 8,918 | 0.2 | 17.0 |
| Clackamas | 1,202,560 | 510,870 | 42.4 | 63,706 | 5.2 | 7,378 | 0.6 | 48.2 |
| Clatsop | 558,720 | 0 | 0.0 | 43 | 0.0 | 147,188 | 26.3 | 26.3 |
| Columbia | 439,680 | 0 | 0.0 | 11,801 | 2.5 | 6,587 | 1.1 | 3.6 |
| Coos | 1,042,560 | 57,514 | 5.5 | 166,742 | 16.0 | 61,442 | 5.8 | 27.3 |
| Crook | 1,914,240 | 433,660 | 22.6 | 511,737 | 26.7 | 0 | 0.0 | 49.3 |
| Curry | 1,054,720 | 558,745 | 53.0 | 67,510 | 6.4 | 2,757 | 0.2 | 59.6 |
| Deschutes | 1,955,200 | 979,136 | 50.0 | 504,500 | 25.8 | 520 | 0.0 | 75.8 |
| Douglas | 3,245,440 | 907,237 | 28.0 | 653,322 | 20.1 | 42,464 | 1.3 | 49.4 |
| Gilliam | 782,720 | 0 | 0.0 | 22,757 | 2.9 | 0 | 0.0 | 2.9 |
| Grant | 2,897,920 | 1,566,698 | 54.0 | 170,947 | 5.8 | 2,120 | 0.0 | 59.8 |
| Harney | 6,545,920 | 517,113 | 8.0 | 4,101,931 | 62.6 | 1,520 | 0.0 | 68.6 |
| Hood River | 341,120 | 213,001 | 62.4 | 180 | 0.0 | 983 | 0.2 | 62.6 |
| Jackson | 1,792,640 | 377,549 | 21.1 | 430,939 | 24.0 | 2,062 | 0.1 | 45.2 |
| Jefferson | 1,146,240 | 165,539 | 14.4 | 25,846 | 2.2 | 80 | 0.0 | 16.6 |
| Josephine | 1,050,240 | 296,222 | 28.2 | 311,698 | 29.7 | 7,303 | 0.6 | 58.5 |
| Klamath | 3,926,400 | 1,717,289 | 43.7 | 288,549 | 7.3 | 32,679 | 0.8 | 51.8 |
| Lake | 5,349,760 | 1,027,636 | 19.2 | 2,591,597 | 48.4 | 674 | 0.0 | 67.6 |
| Lane | 2,956,800 | 1,320,645 | 44.6 | 289,202 | 9.8 | 24,116 | 0.8 | 55.2 |
| Lincoln | 634,880 | 171,161 | 27.0 | 20,395 | 3.2 | 21,216 | 3.3 | 33.5 |
| Linn | 1,478,400 | 466,107 | 31.5 | 88,202 | 6.0 | 21,442 | 1.5 | 39.0 |
| Malheur | 6,352,640 | 3,792 | 0.0 | 4,540,583 | 71.5 | 0 | 0.0 | 71.5 |
| Marion | 764,160 | 203,961 | 26.7 | 20,993 | 2.7 | 19,044 | 2.5 | 31.9 |
| Morrow | 1,311,360 | 143,306 | 10.9 | 35,886 | 2.7 | 64 | 0.0 | 13.6 |
| Multnomah | 297,600 | 72,501 | 24.4 | 5,195 | 1.7 | 0 | 0.0 | 26.1 |
| Polk | 476,800 | 318 | 0.0 | 41,672 | 8.7 | 7,588 | 1.6 | 10.3 |
| Sherman | 531,840 | 0 | 0.0 | 43,563 | 8.2 | 0 | 0.0 | 8.2 |
| Tillamook | 720,000 | 92,682 | 12.9 | 49,473 | 6.9 | 314,001 | 43.6 | 56.5 |
| Umatilla | 2,067,840 | 404,567 | 19.6 | 8,857 | 0.4 | 297 | 0.0 | 20.0 |
| Union | 1,304,320 | 616,247 | 47.2 | 6,250 | 0.5 | 927 | 0.0 | 47.7 |
| Wallowa | 2,017,920 | 1,142,668 | 56.6 | 18,908 | 0.9 | 764 | 0.0 | 57.5 |
| Wasco | 1,533,440 | 208,812 | 13.6 | 36,272 | 2.4 | 240 | 0.0 | 16.0 |
| Washington | 465,280 | 0 | 0.0 | 12,011 | 2.6 | 49,876 | 10.7 | 13.3 |
| Wheeler | 1,096,320 | 168,004 | 15.3 | 86,048 | 7.8 | 760 | 0.0 | 23.1 |
| Yamhill | 459,520 | 25,440 | 5.5 | 42,690 | 9.3 | 80 | 0.0 | 14.8 |

* Does not include National Parks, reservations and monuments.

Source: Association of Oregon Counties

## EXHIBIT TWO

### 1985 OREGON RURAL COUNTY ROAD MILEAGE
### BY
### FUNCTIONAL CLASSIFICATION*

Classifications: 01 Minor Arterial 03 Minor Collector
02 Major Collector 04 Local

| COUNTIES | 01 | 02 | 03 | 04 | TOTAL |
|---|---|---|---|---|---|
| Baker | | 193 | 184 | 558 | 935 |
| Benton | 6 | 93 | 83 | 274 | 456 |
| Clackamas | 120 | 344 | 159 | 569 | 1,192 |
| Clatsop | | 68 | 23 | 156 | 247 |
| Columbia | | 138 | 65 | 348 | 551 |
| Coos | | 184 | 79 | 290 | 553 |
| Crook | | 189 | 69 | 281 | 539 |
| Curry | | 79 | 59 | 90 | 228 |
| Deschutes | | 310 | 97 | 493 | 900 |
| Douglas | 81 | 319 | 174 | 569 | 1,143 |
| Gilliam | | 79 | 57 | 309 | 445 |
| Grant | | 219 | 86 | 203 | 508 |
| Harney | | 322 | 174 | 214 | 710 |
| Hood River | | 51 | 27 | 125 | 203 |
| Jackson | 16 | 284 | 124 | 523 | 947 |
| Jefferson | | 116 | 109 | 388 | 613 |
| Josephine | | 161 | 63 | 293 | 517 |
| Klamath | | 292 | 74 | 403 | 769 |
| Lake | | 312 | 83 | 265 | 660 |
| Lane | | 270 | 221 | 841 | 1,332 |
| Lincoln | | 107 | 107 | 157 | 371 |
| Linn | 14 | 285 | 114 | 717 | 1,130 |
| Malheur | | 246 | 175 | 1,317 | 1,738 |
| Marion | 48 | 301 | 60 | 596 | 1,005 |
| Morrow | | 165 | 144 | 733 | 1,042 |
| Multnomah | 5 | 106 | 44 | 98 | 253 |
| Polk | | 141 | 58 | 322 | 521 |
| Sherman | | 69 | 44 | 352 | 465 |
| Tillamook | | 122 | 39 | 171 | 332 |
| Umatilla | | 239 | 172 | 1,309 | 1,720 |
| Union | | 93 | 96 | 422 | 611 |
| Wallowa | | 149 | 90 | 426 | 665 |
| Wasco | | 131 | 202 | 342 | 675 |
| Washington | 3 | 152 | 39 | 467 | 661 |
| Wheeler | | 63 | 33 | 164 | 260 |
| Yamhill | | 109 | 76 | 484 | 669 |
| TOTALS | 293 | 6,501 | 3,503 | 15,269 | 25,566** |

* Oregon Department of Transportation road and highway classification system. Definitions are on page two of the exhibit.

** In addition to the rural road total, there are 2170 miles of urban roads that qualify for additional federal assistance. However urban roads in cities with less than 5000 population do not qualify.

Source: Association of Oregon Counties

## EXHIBIT TWO

### FUNCTION CLASSIFICATION DEFINITIONS

A. Principal Arterials are major urban and rural highways connecting communities, towns and cities. The principal arterial provides for through traffic movement and distribution to lower order classifications or roadways. Principal arterial roadways fall primarily under State jurisdiction, although some metropolitan areas may have principal arterials serving several communities by means of a county principal arterial.

B. Minor Arterial roadways connect areas of principal traffic generation to major urban and rural highways. The arterial network provides for through traffic movement and distribution onto the network of collector and local streets.

C. Major Collectors carry traffic between neighborhood areas or to arterial facilities. The major collector provides access from minor collectors to community services and to other neighborhoods within, or immediately adjacent to, urban areas. The major collector in a rural area may serve towns not directly served by arterial routes and other traffic generators of equivalent intracounty importance, such as major schools, shipping points, high economic impact on the community. The resource area collectors provide interface with several agricultural, timber, mining and land access roads to roads of higher functional class.

D. Minor Collectors serve internal traffic within areas having a single land use pattern. They carry local traffic within a neighborhood area. Minor collectors serve as a link between the local street system and the higher order classification of roadways. Minor collectors carry traffic between minor traffic generators, such as neighborhood shopping and community centers and schools. The minor collector in a rural area may serve small communities and limited commercial traffic or resource related traffic generated by mining, agricultural and timber areas or lesser roads serving such areas.

E. Land Access Roads and Local Streets provide direct access to abutting property as the primary function. These roads and streets constitute all mileage not classified as arterial or collector roads.

## EXHIBIT THREE

### Oregon Counties Revenue and Expenditure Comparisons
### County Road Fund Budgets for FY 1984-1985

Anticipated Revenue as a Percentage of the Total

| | |
|---|---|
| Federal Forest Receipts | 35% |
| State Highway User Fees | 24 |
| Special Tax Levy or Bonds | 7 |
| O&C Receipts | 2 |
| Other General Fund Support | 1 |
| Federal Mineral Leases | 1 |
| Assessments | 1 |
| Other (fees, working capital, contingency) | 29 |

Budgeted Expenditures as a Percentage of the Total

| | |
|---|---|
| Maintenance and Operation | 51% |
| Reconstruction and Preservation | 34 |
| Other (operating contingency, building and equipment maintenance, etc.) | 15 |

Oregon counties road budgets for FY 1984-1985 totaled $164,444,680. According to county road department 1985 surveys, pavement reconstruction and overlay needs total $680 million and bridge repair and replacement needs total $36 million. However in FY 1984-1985, $108 million was expended for maintenance and operation expenses leaving $56 million to be applied toward the growing $716 million road and bridge preservation deficit.

**Paved Road Surface Condition**

| Surface Condition | Miles | Percent |
|---|---|---|
| Very Good | 1,637 | 11% |
| Good | 4,112 | 27 |
| Fair | 5,632 | 37 |
| Poor | 3,176 | 21 |
| Very Poor | 600 | 4 |

**Bridge Condition**

| Condition | Number | Percent |
|---|---|---|
| Good | 2,098 | 69% |
| Fair | 718 | 23 |
| Poor | 237 | 8 |

Source: Association of Oregon Counties Oregon Department of Transportation

## STATEMENT OF R. NEIL SAMPSON, EXECUTIVE VICE PRESIDENT, AMERICAN FORESTRY ASSOCIATION

The American Forestry Association, the national citizens organization for trees, forests, and forestry, appreciates the opportunity to submit testimony on the President's budget recommendations for FY 1987. Our comments deal primarily with the Forest Service and Bureau of Land Management budget recommendations, although we would also like to share some broader views about the challenging future of natural resource management and conservation in our country.

For the past five years, the United States has been embarked on an historic retrenchment of government involvement in many domestic areas. While this has cut into the natural resource programs seriously, it has in fact, resulted in huge deficits, fueled by the steady rise of federal spending for defense, payments to individuals, and the interest on the debt itself. Now natural resource programs face even more serious cuts. The first round of mandatory cuts under the Deficit Reduction Act has already gone into effect.

For the most part, natural resource agencies seem to be able to absorb these initial cuts without serious dislocation, having seen the situation coming for several months. What they cannot manage without severe impact, however, are the proposed cuts in the President's 1987 budget.

Unless the Congress acts to prevent them, the President's increasingly restrictive budget allocations for natural resource agencies — working in concert with the deep budget cuts potentially involved in the Gramm-Rudman exercise — will completely dismember the vital federal agencies and programs which manage and conserve our nation's forests and other natural resources. Your Subcommittee, and the Congress, have been effective in keeping these programs operating in the past. We thank you for your vigilance, even as we must ask you to assist in the battle again.

We believe that the current situation, when viewed in the total context of the trends for the past decade, the impending budget reductions of Gramm-Rudman, and the needs of the Nation for maintaining the sustainable productivity of the natural resource base, calls essentially for a budget that is frozen from 1986 levels in virtually every category. Those who would call for a reduction in natural resource conservation efforts now, with the assurance of their eventual restoration when "better times" arrive, are dangerously shortsighted, we believe. And those who insist that federal forestry and conservation agencies and programs must continue to share the deficit-reduction burden, understand neither the dynamics of these agencies or of the federal deficit.

Let's look at what has happened in recent years. If we assume that the 1986 fiscal year will unfold roughly as the President's budget proposes, with the impact of the March 1 Gramm-Rudman cuts in place, we will have added some $1.1 Trillion to the National Debt since 1978. That debt has been caused almost entirely since 1981, when a combination of tax cuts and recession created a $200 billion per year deficit.

Between 1978 and the end of the current 1986 fiscal year, we will have increased real spending for defense by 50 percent; payments to individuals will have risen 30 percent; and interest on the soaring debt will have nearly tripled. These are the spending increases that have caused the problem.

Now look at the natural resource budgets of Forest Service and BLM. Since 1978, real-dollar program levels on the National Forest System have declined 30 percent. Forestry research is down 17 percent, state and private forestry is down 56 percent, and Forest Service construction is off 35 percent. In total, the Forest Service is operating programs whose purchasing power, in 1982 dollar terms, are off one-third in 8 years.

At the Bureau of Land Management, the situation is similar. Between 1981 and 1986, the renewable resource program has lost 17 percent, in spite of a 130 percent increase in the amount of money for managing wild horses and burros. The management funds for the Oregon and California lands have held steady, in real dollar terms, but the Range Improvement program is down by 41 percent in these six years.

Attached to our statement are two sheets containing graphs depicting these trends in Forest Service and BLM programs. These were constructed, to the best of our ability, from the appropriations history provided by the agencies and the President's 1987 budget documents.

What these data show, we think, is that the public land managing agencies have already done their share of shrinking. These reductions have come in spite of the best efforts of the Congress, but they have gone as far as we dare let them go.

The resource budget and policy decisions Congress makes in 1986 and 1987 will fundamentally shape our forestry and land management programs for the next two decades, as our nation wages what is certain to be a long and painful war against the federal deficits that have amassed in recent years. We are writing our future today. The modest investments that we as a nation have made in natural resource management and protection are not the cause of the deficit, and allowing them to absorb further severe cuts will have little impact on the deficit -- and a potentially devastating impact on our forest and range lands -- in years to come.

We therefore face an unprecedented challenge to foster a new commitment and a new level of public support for our natural resource functions. We believe that the well-being of America's people is closely tied to the productivity of the land, water and forests. All Americans benefit from the bounty of renewable natural resources, not just those who live near a National Forest and Park, or even those who travel far to visit these natural areas. The careful management of public lands benefits those who have never seen them, people whose lives are improved either by the forest, mineral, energy and range products these areas produce, the cleaner air and water that flows from well-managed lands, or by the very thought of the magnificent land heritage they jointly own with all U.S. citizens.

Within the Forest Service budget, AFA is most concerned with the proposed reductions in the State and Private Forestry and Forest Research as well as the increasing emphasis on revenue production within the National Forest System.

Sixty-one percent of the nation's forestland is privately owned. These lands are not only an important source of timber, they also contain valuable water resources, fish and wildlife habitat, range, and recreation opportunities. Their protection and management can also impact the health and productivity of neighboring public land resources: as fire, insects and disease do not respect state boundaries, or private property lines. Cooperative forestry programs play an important role in connecting the woodlands of the country. The specific programs in Forest Management, Utilization, and Tree Improvement have proven to be an effective way to exchange information, track trends and supply training to the states and the private sector. These efforts have continued to challenge the leaders of state forestry programs to work collectively to improve the general health and welfare of our nation's forest.

The 1985 Farm Bill establishes a Conservation Reserve that aims to convert as many as 5 million eroding cropland acres to trees. The forestry assistance available to farmers and other USDA agencies comes from state programs supported, in part, by the cooperative forestry grants from the Forest Service. The state nursery capacity that will be essential in meeting this large and sudden surge of demand for seedlings will be, in part, supported by the cooperative program. The technical coordination between the forestry agencies and the other USDA agencies at the national level will all come from the State and Private forestry programs that the President's budget has targeted for elimination.

In urban areas, the Urban and Community Forestry Program provides assistance and technical advice to landowners, developers, and planners who affect the 70 million acres of forestland in urban and community areas. The economic, environmental, aesthetic, and educational values which this program promotes directly impact the quality of life for the eighty percent of the nation's population which live in these areas. These people, in turn, must appreciate the challenge of forest management on the public and private forests of the nation. The Urban Forestry program is an effective way to build that understanding.

The President's budget ignores these important relationships. The elimination of the financial assistance to states under State and Private Forestry totally overlooks the tremendous value these relatively modest grants have in encouraging coordinated forestry and forest protection activities across the Nation. Federal financial assistance provides the "glue" connecting state forestry efforts -- through technical assistance, shared research data, improved communications, and greater coordination -- and are a small price to pay for the cooperative forest resource protection and management that they sustain.

The insect and disease surveys that are part of the cooperative federal-state effort are not done anywhere else, and must clearly be coordinated by the federal government to be cost-effective. These are essential to protecting the health of the nation's forest lands, and they have important impacts in other ways. In this ers, when we are trying to minimize the use of pesticides, yet still prevent forest losses, early detection is the most essential and cost-effective effort we can fund.

In the area of Forest Research, the Administration has failed to support the strong, integrated, and multi-disciplinary programs that are necessary to solve current and future forestry problems. Last year, the Congress disagreed with the Administration's shortsighted priorities, adding both dollars and programs. Funds were provided to hasten the cycle of forest inventory so that important data on forest conditions is more available and dependable — yet the proposed 1987 budget would once again retard this vital process. Competitive grants for research, initiated by Congress in FY 1985, would also be eliminated by the President's budget, and a variety of other forest research efforts — including the acid rain-related National Vegetation Survey — would have to be shut-down, or significantly reduced.

Because Congress understands what the Administration clearly does not — that good research does not thrive in an on-again, off-again climate, we must ask that you once again assert your commitment to Forest Research.

In regard to the National Forest System, AFA's primary concern is the apparent shift in funding priorities toward revenue-generating activities -- timber sales and roads — and away from activities that conserve and manage non-revenue resources. The National Forests are special lands, and the law mandates that they be managed for the multitude of uses and benefits which accrue to all Americans, including those yet unborn. At present, however, the conservation of non-timber resources — fish and wildlife, soil and water, and recreation opportunities — is funded at such low levels that these resources can only receive attention when associated with timber sales, and even then only receive the minimum level of management necessary to prepare the timber sale and harvest. This is not to say that there should not be considerable harvest of timber, and significant economic benefit from the National Forests, but rather that we are duty-bound to provide more balanced management to these special forest areas.

In regard to the BLM budget, we continue to be concerned about the steady decline in funds to properly manage the public lands. With the exception of the wild horse and burro program, where the costs of holding captured animals has risen dramatically, BLM program capacity has slowly but steadily continued to decline. We simply cannot allow this to continue. It is not good land management, it is not sound economics, and it is certainly not good public policy.

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## STATEMENT OF P. ROBERT THOMPSON, STAFF ASSISTANT, NATIONAL ASSOCIATION OF STATE FORESTERS

**The Administration's budget for fiscal year 1987 does not recognize the federal role in the Forest Service State and Private Cooperative Programs that is needed to help meet the Nation's future environmental and forest products needs. Other cuts in necessary Forest Service programs such as the National Forest System Forest Fire Protection and Forest Research budgets will also impact state forestry.**

**Following are the NASF recommendations for the Forest Service budget for FY 1987:**

**SELECTED 1987 FOREST SERVICE BUDGET**
**(millions)**

| FISCAL YEAR<br>SOURCE | 1987<br>NASF | 1987<br>ADMIN. | 1987<br>FS REQ. | 1986<br>FY |
|---|---|---|---|---|
| **STATE & PRIVATE FORESTRY (S&PF):** | | | | |
| **Forest Pest Management** | $32.000 | 18.671 | 26.331 | 29.433 |
| **Fire Protection** | 15.400 | 3.400 | 14.875 | 13.618 |
| **Management & Utilization** | 11.800 | -0- | 10.040 | 9.945 |
| **Special Projects:** | | | | |
| **Boundary Water Canoe Area** | 3.000 | 2.800 | 3.234 | 2.982 |
| **TOTAL S&PF** | $62.200 | 24.871 | 54.480 | 55.978 |

| FISCAL YEAR<br>SOURCE | 1987<br>NASF | 1987<br>ADMIN. | 1987<br>FS REQ. | 1986<br>FY |
|---|---|---|---|---|
| **NATIONAL FOREST SYSTEM:** | | | | |
| **Forest Fire Protection** | $158.000 | 147.225 | 168.000 | 158.240 |
| **FOREST RESEARCH:** | | | | |
| **Forest Inventory & Analysis** | $17.049 | 14.222 | 17.925 | 17.049 |

## STATE & PRIVATE FORESTRY BUDGET (S&PF):

Fiscal year 1986 appropriations for the State and Private Cooperative Programs totalled $57,635,000. For fiscal year 1987 the Administration proposes a budget of $24,821,000. This represents a 56% reduction over the 1986 appropriation. It also represents a drop from 3.0% of the Forest Service budget to 1.0%. This budget does not reflect the priority these programs deserve in the Forest Service. These programs are critical to the national interest, and include: Fire Protection, Cooperative Pest Management, Marketing and Industrial Development, Conservation Reserve, and the transfer of Forest Research to the state and private sector. NASF recommends an appropriation for these programs of $62,200,000. This level will maintain federal involvement and ensure funding of these critical programs.

## PEST MANAGEMENT:

NASF is concerned that the expertise available in the states under the Cooperative Pest Management Programs is under utilized or duplicated by the federal government. The President's budget completely eliminates all Cooperative Pest Programs, and leaves only those programs for federal lands. NASF recommends that the Cooperative Pest Programs be reinstated, and the FY 1987 total Pest budget be $32,000,000.

Through the Cooperative Pest Program, state pathologists and etomologists currently survey for both biotic and abiotic tree damage, such as from air pollution. If this surveying is not done, pest problems will not be discovered as early, and supression costs will be much higher. This same program can also be used to survey for acid rain damage. This will save the federal government the expense of establishing an organization to carry out the task.

The remaining funds under this program are used in cooperative efforts between state and federal agencies to control pests. Pests and disease know no boundaries, they are national problems. Gypsy moths, southern pine beetles, and mountain pine beetles are just a few pests that ravage the nation's forests every year. The gypsy moth demonstrates the interdependency this program faces. Gypsy moths originated in New England, but were brought West by unsuspecting travelers to Oregon, where they have become a major problem.

FIRE PROTECTION:

The 1985 fire season demonstrated the need for a cooperative system of fire protection between state, regional and federal agencies. At one point this summer, a total of 20,000 people were used to fight forest fires. This included 35 state fire crews, and members of the National Guard, U.S. Air Force, and U.S. Marine Corps. A national cooperative system is needed to realize the full potential of the nation's fire protection resources. Without it, costs will rise due to duplication of efforts and safety records will drop due to unfamiliarity with equipment, improper procedures and reduced personnel on each fire. Regional cooperation will diminish due to the reluctance of state officials to expend their own budgets to train and maintain fire crews to send out of state.

The S&PF Fire Protection program saves the federal government approximately $40 million in direct costs, and $160 million in total direct and indirect costs every year. This equates to a cost:benefit ratio of 1:2 and 1:4, respectively. These are significant savings. The ability to share fire crews nationwide saves the federal government $5.5 million annually. The transfer of technology developed by the Forest Service such as computer systems, data, and command procedures saves the federal government $5.0 million annually. Technical analysis which allows states to optimize manpower, equipment and other resources saves the federal government $25.0 million in direct costs, and $50.0 million in net resource value savings annually. The Federal Excess Personal Property Program (FEPP) allows rural fire departments to purchase refitted fire equipment from the federal government, and is responsible for the existance of thousands of rural fire departments. This program saves the federal government $35.0 million annually because of the help these rural fire departments provide, and an additional $100.0 million in savings annually through the protection of rural structures.

These numbers show that the federal government will lose more money than it saves in the long run if this program's budget is cut. NASF therefore recommends a budget of $15,400,000.

FOREST MANAGEMENT AND UTILIZATION:

The President's budget completely eliminates Forest Management and Utilization. NASF recommends that this portion be reinstated and increased to $11,800,000. These programs help increase the productivity of non-industrial forest land, assist states in resource planning, and aid in reducing non-point source pollution through Urban Forestry. They are also required to implement two new and important programs.

The first program is a new Marketing and Industrial Development initiative. The annual U.S. trade deficit for forest products is $2.5 billion. A relatively small marketing program, administered by S&PF, can help America's forest products producers become more competitive both at home and abroad. The Forest Service explanatory note concerning this program states that emphasis should be "directed towards marketing assistance and expanding the range of markets for forest products to improve economic conditions." Both Department of Commerce and Office of Technology Assessment reports have called for the Forest Service to increase their marketing programs, yet there is no money budgeted for this important initiative.

The second program is the Conservation Reserve. The Conservation Reserve is a high priority program for USDA passed in the 1985 Farm Bill. It is designed to plant a total of 5.0 million acres of trees on highly erodible farmland to stop soil erosion and reduce the amount of productive farmland. The Conservation Reserve can be implemented and administered through existing Forest Management Programs, such as the Forest Resource Management and Seedlings, Nursury and Tree Improvement Programs.

These program's usefulness for administering the Conservation Reserve, and the support these organizations provide the Forest Service and State Foresters, more than make up for the small amount of money required to maintain these programs.

Urban Forestry has become an integral part of State Forester's forest management programs. Non-point source pollution from urban areas contributes to deteriorating water quality. Urban forestry can help stop this by planting trees to act as buffers. The State of Maryland is using urban forestry in their Chesapeake Bay program. Foresters are finding many innovative ways to integrate forestry into urban areas. This is increasingly important because most of the United State's population is in urban areas.

SPECIAL PROJECTS:

NASF recommends that the Boundary Waters Canoe Act be maintained at the FY 1986 budget level of $3,000,000.

NATIONAL FOREST SYSTEM

FOREST FIRE PROTECTION:

The Forest Fire Protection budget for National Forest System has been reduced by $11.0 million from FY 1986. This seems unwise considering the Forest Service requested a supplemental budget of $165 million due to the 1985 fire season. Presupression and Fuel Management funds keep fires smaller and limit the damage. To cut these programs means that fires will be larger and more expensive. This lack of initial fire fighting capablities puts added pressure on State Forestry agencies because of the interface between private, state and federal lands. NASF recommends funding for Fire Protection at the FY1986 level of $158,000,000. This is the optimum level of funding as outlined in the President's budget explanatory notes.

RECREATION:

Funding for the FY 1987 recreation program is based on proposed legislation which would make $52.0 million of receipts from user fees available to the

Forest Service. Many states have learned that such authorizations cannot be counted on, and, if authorized, will be hard to collect and administer. NASF therefore recommends that this $52,000,000 be added backto the Forest Service budget for FY 1987.

NET VS. GROSS TIMBER RECEIPTS TO COUNTIES:

NASF urges Congress to take a close look at the Administration's proposal to change the accounting system for county receipts from timber sales. The new formula does not adequately define the basis on which the receipts will be calculated, i.e., the county, area or state. This proposal will hurt State Forestry agencies indirectly because it will make more state and local agencies compete for fewer dollars.

FOREST RESEARCH:

NASF strongly supports restoration of the Forest Inventory and Analysis to the FY 1986 level of $17,049,000. NASF also urges that the National Vegetative Survey be carried out as scheduled. Accurate and current inventory data is the cornerstone of industrial development nationwide. Answers to the effects of acid rain on tree health should proceed in a timely manner.

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## STATEMENT OF NORMAN A. BERG, WASHINGTON REPRESENTATIVE, SOIL CONSERVATION SOCIETY OF AMERICA

The Soil Conservation Society of America appreciates this opportunity to submit written testimony,as recommended in your letter of March 11,1986.We request that this memo be made part of the record,in support of selected agencies appearing before your Committee for FY'87 appropriations.

The annual ritual of determining the proper balance between appropriations for all federal activities seems to grow more complex and intense each year.The Nation has,for the past five years,been embarked on an effort to reduce the level of government involvement in many domestic areas.This has now produced rather severe reductions in several natural resource programs.The FY '87 budget proposals from the Administration, if endorsed by Congress,would continue this drastic downward trend.Congress has,in the past,performed well under the tough conditions imposed by a huge deficit and fueled by a steady rise of defense spending,payments to individuals,and the interest on that enormous federal debt.

The U.S.Congress,with their ability to set their priorities, prevented the dismantling of vital federal resource agencies. However,the funding for resource conservation has eroded.Any further reduction,as proposed,would impact natural resource management and conservation in the U.S.A. most adversely.The first round of the mandatory cuts for F.Y.'86,under the Deficit Reduction Act is now being implemented.The agencies are,for the most part,absorbing these initial cuts and also protecting those vital program functions they deem of great importance.What they cannot do is to take the next round of reductions and continue any semblance of past performance.

We feel, Mr. Chairman, all the natural resource and conservation agencies, have already done more than their share of shrinking. The modest investments made by the federal government, for natural resource programs, was not the reason for Gramm-Rudman-Hollings. Between 1978 and the end of the current fiscal year (1986), we will have increased real dollar spending for defense by 50 percent: payments to individuals will have risen 30 percent: and interest on the national debt will have nearly tripled. These are the appropriation increases, over the past several years, that have led to concern for the big deficit.

The time has come to inform the public, in detail, as to how the President proposes to spend each federal dollar in FY'87. 41 cents is to be on payments to individuals: food stamps, veteran's care, medicare, and housing subsidies. Defense in '87 would get 28 cents. 10 cents would go to states and the local governments, and 15 cents is needed to cover the interest on the debt, leaving 6 cents for all other federal activities! The bottom line for the public to understand is that after crediting receipts for such things as timber and mineral sales, the President has again proposed a FY'87 budget that would spend a net of only about one-half of one-tenth of one cent of each federal dollar for the management of the public lands and conservation programs directed to the non-public lands. These are the facts that need publicity.

Specifically, the Soil Conservation Society of America (SCSA), is concerned about the following budget proposals for FY'87:

The U.S. Forest Service:
The State and Private Forestry spending target is $ 24 million, less than one-half of present funding. This would limit federal involvement in promoting private forest plans and management by cutting the financial grants to states.

Forest research would fall from $120 million this year to $111 million in FY'87. This could terminate and/or delay important research, including efforts related to acid rain.

The National Forest System is scheduled for $ 894 million. This would be down from the $1.031 billion this year. Timber sales, stand improvement, and reforestation would all be reduced, while recreation user fees would be increased, and less money would be returned to the states from timber sales.

Fish and Wildlife Service funding is proposed to be $609 million, up from $ 608 million in FY'86. Spending for endangered species would total $23.2 million in '87 as against $ 29 million in '86. The largest single reduction, $ 4.2 million, results from the termination of state grants. No Land and Water Conservation Funds are requested for land acquisition.

The National Park Service would be cut from $ 993 million to $ 910 million in FY'87. Increased visitor fees are proposed. Of the estimated $ 75 million to be collected, $25 million would return to the Parks where it was initially collected. Construction and land acquisition budgets take drastic cuts.

The Bureau of Land Management budget proposal is confused by the fact that a portion of the timber payments to Oregon and California (O&C -grant lands' counties) scheduled for the beginning of 1986 were actually made at the end of 1985. This reduced the apparent spending-level against which the FY'87 figures are compared.Had this payment been made at the usual time,the FY'87 budget proposals would be down $ 21 million. Programs for the forest resource,wildlife,and soil,water,and air management,take higher relative reductions in funding.

Last year,SCSA,viewing the fiscal situation in the context of the trends for the past decade in natural resource funds, called essentially for FY'86 budgets to be kept at the FY'85 level,in virtually every conservation category.We were alert to the climate that said that conservation programs would be willing to take their fair share of funding cuts,if they were across the board,in any attempt to bring federal spending in line.We were pleased that Congress agreed with that thrust in appropriations made for FY 1986,although reductions are now underway because of Gramm-Rudman-Hollings and some proposals to rescind appropriated funds.

For fiscal year 1987,SCSA again supports your number one priority to eventually get federal expenditures more in line with federal revenues.Soil and water and other natural resource programs should be willing,we think,to absorb their equitable share in this regard.However,we can support this approach only to the extent that other federal programs,such as defense,entitlements,etc.also carry their fair share of reduced spending.We do think further reductions,as proposed in the Administration's FY'87 budgets are dangerously short-sighted.We deem it very unwise to neglect the needs for the proper management of soil, water,plants and all living wild creatures on all lands.We are especially concerned about the stewardship of the federal public lands.These lands are the the responsibility of the federal government.They belong to every U.S.person.The agencies assigned to represent all of our interests on these lands need adequate resources to do the management and conservation work that is needed.

Mr. Chairman,SCSA thanks you and your Committee for your dedication and concern.We appreciate the work you do to advance the science and art of good land use.

## Resolution of the Western Governors' Association

**SPONSOR:** **Governor Herschler**
**SUBJECT:** **Proposal to Deduct Administrative and Operating Costs under Federal-State Shared Receipt Programs**

A. BACKGROUND

1. State and local government shares of federal mineral, timber, grazing, recreation and other public land resource related receipts were designed to compensate public land states for the continued federal ownership of land and mineral resources and the concurrent tax base diminishment and development restraints created by that ownership.

2. State shared receipt programs were basic to the congressional compromise which led to the retention of significant federal land and mineral interests in the western states.

3. State shared receipts are an important revenue source for impact assistance, roads and highways, sewer and water, education and other public facilities and programs needed to support the industries and work forces engaged in development activities of federal lands.

4. Western states expend significant amounts of their own-source revenues for the planning, accommodation and regulation of federal land and mineral resource development and management activities.

5. The proper management of public lands and minerals, and the consideration and protection of national interests in the development of those resources, require reasonable federal administrative and operating expenditures similar to other federal property or resource management programs.

6. Congressional authorizations for state and local shares of federal receipts have historically and consistently been interpreted to mean gross receipts and not net receipts, nor receipts less administrative costs.

7. The Administration's FY 1986 budget proposes to deduct all associated administrative and operating costs from gross receipts, derived from activities such as federal timber sales and mineral leasing, before distributing the remainder to affected state and local governments. This proposal is in direct contradiction of existing congressionally approved and authorized receipt sharing formulas. In the next fiscal year, this proposal would mean a loss to the western states of over $400 million.

B. GOVERNORS' POLICY STATEMENT

1. We are opposed to the Administration's FY 1986 budget proposal to deduct administrative and operating costs from gross receipts under federal minerals, timber and other congressionally authorized state shared receipt programs.

2. We support efforts to assure full collection and proper accounting of federal mineral and other resource related receipts in order to improve returns to the federal government and affected states.

3. We support efforts to reduce unreasoneble and unnecessary administrative burdens and costs and to eliminate administrative waste and mismanagement in federal mineral, timber, and other resource related programs.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. A copy of this resolution shall be transmitted to the congressional delegations of the WGA states, other appropriate members of Congress, and the Secretaries of Interior and Agriculture.

2. The WGA staff shall monitor and report to the governors on any legislative or budget proposals which could adversely affect current federal-state shared receipt program formulas.

DISPOSITION:

Approved: Ariyoshi (HI), Sinner (ND), Bangerter (UT), Bordallo (Guam), Tenorio (NMI), Gardner (WA), Lutali (A.S.), Schwinden (MT), Atiyeh (OR), Evans (ID), Anaya (NM).

Disapproved:

Abstained:

Not Present: Sheffield (AK), Babbitt (AZ), Deukmejian (CA), Lamm (CO), Kerrey (NE), Bryan (NV), Janklow (SD), Herschler (WY).

## STATEMENT OF MARVIN E. BLACK, CITY ARBORIST, SEATTLE ENGINEERING DEPARTMENT

As Arborist of the City of Seattle, I have a deep interest in urban forestry. I am concerned about the proposed appropriation for the urban forestry line item in the USDA Forest Service 1987 budget. I believe it is essential to maintain funding levels at $2.0 million for this important project.

Although the funding level for urban forestry has been minimal, the benefits of the effort have been significant. For example, in my home town of Seattle, Forest Service technical assistance and grant monies have been used to prepare a booklet on street trees. Another year, we have used Forest Service grant money to prepare a movie showing the urban forestry spot in the community. Both of these projects were simply not possible for us to have done with the professionalism they bear except with outside help.

Research done to benefit urban forestry efforts is also an important part of improving the quality of life for residents of cities and towns. This funding is part of the Forest Service's Forest Recreation Research budget, and not a separate line item. We feel this research has been very valuable and request the funding be maintained at last year's level of about $1 million.

Generally, there is so much more benefit than cost from urban forestry that this comparatively small amount of dollars can make a good deal of difference. This is not an attempt to shift costs needlessly to the government - my own city spends a million dollars annually on urban forestry. It is a system of getting a few special urban forestry items at very reasonable cost.

Thank you for this opportunity to submit a statement for the record.

## STATEMENT OF ARNETT C. MACE, JR., DIRECTOR, SCHOOL OF FOREST RESOURCES AND CONSERVATION, UNIVERSITY OF FLORIDA

I am Arnett C. Mace, Jr., Director of The School of Forest Resources and Conservation, University of Florida. This testimony is offered in my capacity as Chairman of the National Committee on Research of the National Association of Professional Forestry Schools and Colleges (NAPFSC) - an organization that represents 62 university level research, extension and instruction programs. We appreciate this opportunity to comment on the Fiscal Year 1987 budget proposals for forestry research - an issue of vital importance to our nation.

The United States ranks third among nations in commercial forest land and first in industrial timber production. Commercial forests in the United States cover 482 million acres. An outstanding characteristic of this vast resource is its local and regional diversity. Forests differ greatly in species, productive potential, and location with respect to population centers. The vast southern pine belt differs significantly from the northern hardwood region. Neither are comparable to the stately Douglas fir areas of the Pacific Northwest or the forested mountains and extensive range land of the Intermountain West. This biological, climatic, and topographical diversity necessitates management strategies and research programs specifically tailored to regional and state needs and opportunities.

The diversity of the nation's forest resources extends to forest land ownership as well. Private, non-industrial landowners, including farmers, hold over half of the commercial forest land in the United States.

Diversity is also a key characteristic of the array of good and services provided by America's forest resources. Forest-based tourism and recreation are the primary local industries for many communities and contribute significantly to the national economy. Water, wildlife, and domestic animals are also important products of our forests and associated range lands. All major rivers in the West and most in the East have their origins in forested mountains.

In terms of jobs and direct economic contributions, the most important product from our forests is wood. Our vast forest resources support one of the nation's major industries, forest products. The tonnage of wood handled each year by this industry exceeds the annual tonnage of steel, aluminum, cement, and plastics combined. And the advantage of wood over other materials is that it is a renewable resource. Properly managed, it will never be depleted.

The forest products industry adds about $62 billion to the value of the U.S. economy each year, which represents 7.5 percent of the total value added in all manufacturing. Forest products companies also employ 1,745,000 people in jobs as diverse as the industry itself. This represents 9 percent of all the people employed in U.S. manufacturing, or 1 out of every 11 employees.

Forest products will become even more important in the future. World demand for forest products is expected to grow in the decades ahead, and timber growing stock in the United States is projected to increase as well. U.S. forest products can be manufactured at costs that are competitive throughout the world. A report on wood by the Congressional Office of Technology Assessment states that "The United States is well positioned to satisfy both domestic and a major share of future global forest product requirements".

The key to future expansion will be the health and vitality of the forest resource. Forestry research and extension play essential roles in helping ensure that consumer costs are kept low and export opportunities can be met without jeopardizing the other important values of the forest.

Forestry research is a cooperative venture among scientists from many disciplines employed by a variety of federal, state, and private organizations. However, scientists of the U.S. Forestry Service are part of America's forestry research program. Their projects range from fundamental studies of the chemistry of wood cells to practical evaluations of intensive management of timber.

Forestry research is coordinated by the U.S. Forest Service and universities through a cooperative network of planning groups and advisory councils, which ensures maximum productivity of the research effort and of the forest resources themselves.

In addition to these national planning efforts, the more detailed and localized coordination is done through four regional planning groups, whose planning areas coincide with those used by all other science and education agencies.

The private sector also gets involved in various planning efforts that has at least two principle benefits:

1. It assists the U.S. Forest Service and forestry school focus their research program on the most important questions.

2. It facilitates the transfer of technology from research results to on-the-ground applications and implementation. That is, it helps to mobilize research information to solve real problems.

I wish to express the deep and genuine concern of the nation's forestry schools over the proposed reductions in the Forest Service research budget for FY 1987.

In FY 1986, funding for Forest Service research totaled $125.5 million. The 62 forestry schools of the Nation have a research budget approaching $80 million from all sources. About $10 million comes from the Forest Service in the form of Cooperative Agreements. These two programs, the Forest Service and the 62 forestry schools, account for essentially all the publicly supported forestry research in the United States.

The 1987 budget proposal contains an 11% reduction or $14.0 million in funding from FY 1986. A reduction of this magnitude will have a major impact on the nation's forestry research program and will detract from productive cooperative efforts with the forestry schools.

What are some of the specific impacts of the proposed cuts?

- The FY86 $6.8 million Competitive Grants Research Program started in FY 1985 will be terminated.

- The acid rain research initiative will be cut by $2.2 million, including the national vegetation survey.

- Funding for forest inventory analysis across the country will be cut from $17 million to $14 million.

- The average survey will increase from 10 up to 14 years.

- Other essential base programs will also be adversely affected.

- The number of active U.S. Forest Service research scientists will be further reduced by some 45-55.

These proposed reductions come on top of up and down budgets over the past five years, but reflect a general decline over time. This decline has occurred during the same period when other USDA research programs have been increasing. For example, from 1981 to 1987 the ARS budget increased by 27% including a 7.3% increase for FY 1987. But the Forest Service research budget has declined by 15 percent for the same period.

We recognize that the federal government is grappling with a severe budget problem, and that it would be unrealistic for us at the state level to suggest that federal funding for Forest Service Research should increase from 1986 to 1987.

However, given the high priority that this administration has placed on the importance of the U.S. maintaining a competitive edge—relative to the rest of the world—a goal we can all agree with—The Forest Service research budget should at a minimum be maintained at its FY 1986 level.

We were particularly pleased with the support given to forestry research in the form of an $6,800,000 competitive grants program in FY1986 specifically designated for forestry research. This program is a part of the research budget of the USDA-Forest Service, but the funds are being managed by the Office of Grants and Program Systems. We urge that the program be supported at the level of $8,200,000 as a part of the total Forest Service restored research budget to $125,500,000.

This program initiated in FY1985 focuses on high priority basic research is opened to all qualified scientists on a competitive basis. During its first year, only 54 of 464 proposals totaling $87.6 million were funded from the appropriated $8.0 million. The percentage funded was the lowest of all competitive grants programs of USDA. We urge funding of this program at $8,200,000 to continue this outstanding program focusing on high priority basic research to maintain our competitive edge.

We believe that our budget request represents one such program because of the returns to be generated. For example, a study of public research investments in the softwood plywood industry from 1950 to 1980 recently conducted by Duke University shows a marginal rate of return of 292%. This return to society is much larger than the 4 to 25% marginal return generally observed on private capital. Additional research on tree improvement, biotechnology, wood chemistry and others similarly hold the promise of large gains.

Thank you for the opportunity to present our recommendations on the restoration of the U.S. Forest Service budget to the FY 1986 level and increase the Forestry Competitive Grants Program to a level of $8,200,000.

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## Statement of Donald Willeke, Legislative Committee Chairman, National Urban Forest Council

I am Donald Willete, Legislative Committee Chairman for the National Urban Forest Council. We are requesting your continued support of urban forestry technical assistance and research in the USDA Forest Service budget. Maintaining the appropriation levels at $2.0 million for technical assistance in State and Private Forestry, and $1.0 million in research is essential.

The National Urban Forest Council consists of urban forestry leaders and activists from all parts of the country. The Council was founded under the auspices of the American Forestry Association, and distributes a national newsletter to 7,000 urban forestry professionals and enthusiasts.

The Council feels it is important that the federal government maintain an interest in urban forestry resources. Conservative estimates place the value of this resource at over $25 billion. The resource is scattered throughout the country in over 10,000 communities, covering 94 million acres. The nation's urban forest is a national concern. Nearly 80 percent of all Americans live in metropolitan areas, and the vegetation in and around our cities plays a significant role in the quality of their lives.

Urban trees play a vital part in the community and the nation as a whole--environmentally, aesthetically, economically, and socially. The trees, shrubs, and green spaces of a community affect the physical environment by moderating climatic extremes (which saves energy costs), reducing air pollution, screening unpleasant views, and reducing noise. Trees and other vegetation are important for storm water management, erosion control, wildlife, and recreation. Studies underway now are showing the value trees supply socially and for recreation -- values greater then we have expected. A rather conservative tally of the ecological value an urban tree supplies to a community each year is $273.00.

The urban forestry technical assistance programs, through State and Private Forestry, have supplied timely and valuable information to thousands of communities. The administration's proposal to cut these programs will severely damage the flow of this important information, and greatly reduce the effectiveness of community programs; programs that have provided an important link between professional groups, as well as generating a significant amount of volunteer efforts by citizens such as myself.

This funding helps get communities off on the right foot and prevents unnecessary and costly conflicts between trees and people. The city of New Orleans spent $500,000 repairing sidewalks in 1984, and most of this expense could have been avoided if the city had adequate information about properly selecting their street trees and constucting their sidwalks. Cities such as Santa Maria, CA, Minneapolis, MN, Milwaukee, WI, Cincinnati, OH, and Scarsdale, NY, have developed systematic tree management programs that have proven the wisdom of their efforts. Their trees are healthy and they spend far less on maintenance, tree removal and damage claims.

Urban forestry assistance programs have made wise use of their funds by working with communities that can most effectively use the assistance. Urban foresters try to start management when the trees will most benefit, often long before local administrators are aggravated by complaints. This is usually before community governments have developed their own programs and before the existing natural resources have been damaged by construction or trees have outgrown their space. This assistance not only saves the lives of many urban trees, but also saves a community a considerable amount of money in maintenance and repair costs. Towns and communities have a substantial investment in urban vegetation. Without some assistance, they may lose these assets.

At least half of the larger cities in the country operate tree programs by responding only to crises. The lack of technical assistance needed by communities has resulted in disasters. Thousands of cities across the country were hit by the Dutch Elm Disease and did not have the knowledge needed to prevent the destruction of their elms. I do not know of any cities that have totally recovered from the losses of this great natural resource.

Our Twin Cities in Minnesota offer a good demonstration of this point. St. Paul lost almost all its elms, 80 percent in a three year period, while Minneapolis took a more aggressive approach to protecting their trees, and their losses were kept to 25 percent. Minneapolis retained 75 percent of its elms, and spent essentially the same amount of money on their program as did St. Paul. The loss of trees was devastating to St. Paul's urban forest. St. Paul's problem was a late start -- just a response to a crisis. Similar disasters are waiting in the wings for unsuspecting communities; they include oak wilt, an unnamed disease of ash, the Gypsy Moth, and, most recently, a Eucalyptus borer in California.

With Urban Forestry Assistance monies, hundreds of communities have started management programs. These communities are forming tree boards, generating volunteer efforts, taking inventories of existing resources and starting systematic management efforts. In the state of Kansas alone, this assistance has helped 74 communities develop management programs that are operating today. Collectively these communities manage 135,509 acres of community forest valued at $113 million--the value of this resource alone is six times larger than the cost of the Forest Service Urban Forestry budget.

The assistance dollars have reached out to hundreds of private citizens like Anne Wright in Mobile, AL. Anne started working to rebuild Mobile's urban forest after the hurricane of 1979. Anne reports, "we have leaned heavily on the swift and generous support of local, state, and national Urban Forestry experts." Anne works hard for her community and knows how to get the community citizens and government activated. She would not and will not have the technical information she needs to make her program successful without the funding for urban forestry. Anne started an organization called Streetscapes, Inc., which she patterned after others she learned about through the information networks activated by federal assistance money.

After 30 years without planting a street tree, Lexington, KY, started a well-planned urban forestry effort thanks to the combined effort of citizen activists, the county planning agency, and Federal Assistance funds. A Tree Planting Master Plan was produced and a Tree Coordination Center established. They have developed a planting manual and a permit and ordinance system. The funds have put Lexington on the right track, and they are implementing their program just as planned.

Columbia, MD, received assistance to inventory their trees. From the inventory, a systematic effort to manage the trees is underway. Columbia will be able to keep track of the changes in its urban forest and implement maintenance and planting efforts as they are needed. Columbia is a young community so their street trees are young, too. Even these young trees add substantially to the community. The value of the resource being developed in this one community is $4.8 million--more then twice the federal assistance level. Properly maintained, their value will more than double in three years!

The national urban forestry movement requires research efforts as well as technical assistance. The research has been cut drastically in the last few years. In the past two years, we have lost two out of our six research efforts. This year's proposal would close the unit at University Park, PA, and remove the Forest Service from the Consortium for Environmental Studies. Both these efforts have supplied communities with valuble information. I have included an article from AMERICAN FORESTS magazine that shows the practical aspects of some of the work at University Park. (I am pleased that the work being done in Chicago will be continued. This work has been outstanding in offering a substantial amount of information to urban forest managers all over the country.)

There has also been a need to research the issues of the interface between urban areas and wildlands in the West. Many of the fires that have damaged both woodlands and residences can be attributed to our lack of knowledge in this area.

We are a long way in the wrong direction from the plan entitled "Research and Development Program for Urban Forestry." It reported that 157 scientists were to be employed on the important projects identified in the report, yet, today the Forest Service employs only about 10 research people.

The appropriations for Urban and Community Forestry programs, although small in terms of dollars, have proven to be a wise investment. Last year 5,194 communities received technical assistance through this program. No other assistance is available to communities.

The National Urban Forest Council recommends minimum funding levels of $2.0 million for the Urban Forestry State and Private Forestry line item and $1 million for urban forestry research. (Urban forest research is part of the Forest Service's Forest Recreation budget and is not a separate line item.) This would maintain appropriations at 1986 levels.

Furthermore, the Council recognizes the importance of other line items in the State and Private Forestry budget. More than half of the forest land in the country is owned by private individuals, and about 80 percent of these people live in urban areas. We feel the Administration's proposal to eliminate Forest Management and Utilization which includes the Urban Forestry Line item, unacceptable. We appreciate the support this committee has show in past years and ask you once again to support these efforts. They have been low cost, effective and important to the quality of American lives.

Thank you for this opportunity to submit this statement for the record.

# DEPARTMENT OF ENERGY

## FOSSIL ENERGY

## STATEMENT OF DR. J. READ HOLLAND, DIRECTOR, SCHOOL OF MINES AND ENERGY DEVELOPMENT, UNIVERSITY OF ALABAMA

This testimony pertains to FY 1987 Department of Energy R&D Appropriations for oil shale research. The University of Alabama strongly endorses the continuation of oil shale research at a realistic level of funding and offers a plan under which an effective R&D program can be continued at a funding level below that appropriated to the Department of Energy in FY 1986.

Mr. Chairman and Members of the Subcommittee:

The School of Mines and Energy Development at The University of Alabama conducts and supports mineral and energy related research which responds to state, regional, and national needs. In carrying out this mission, The University over the years has committed substantial funds and human resources to research aimed at development of resources and processes for improving the nation's energy and minerals supplies. One area of activity has focused on processing and extraction of oil shale for production of unconventional crude oil.

The oil shale deposits in the Green River formation of Colorado, Wyoming, and Utah, and the Devonian black shales in the Eastern United States constitute a vast potential resource of unconventional crude oil which in the aggregate account for an estimated oil equivalent of perhaps as much as 168 trillion barrels. The Green River deposits contain the equivalent of over 8 trillion barrels of which about 189 billion barrels can be recovered with existing technology. According to the U.S. Geological Survey, the total "known resources" of oil in the Devonian Eastern oil shales are 400 billion barrels and "probable extensions of known resources" are estimated at an additional 2.6 trillion barrels. At current national consumption levels this 400 billion barrel reserve of Eastern shale oil represents an 84 year domestic oil supply, independent of imports or other U.S. production of conventional crude oil. By application of new extraction technology now under investigation, this oil resource in the Eastern shales would increase by as much as 250 percent. Despite waxing and waning of interest in oil shale commercialization with the sharp swings in crude oil prices, there is an urgent need to continue an innovative research program concerned with the technological development of more economical processes for extracting the oil from our domestic shales. Based on our research results, I believe we can extract Eastern shale oil at a cost of $25 per barrel or lower, thus making shale oil economically competitive.

The FY 1986 Department of Energy appropriation of $12.632 million for oil shale R&D provided a modest level of funding for the support of a viable national Western and Eastern oil shale program. Even with application of a 4 percent reduction of the appropriated funds to $12.136 million under the Gramm/Rudman/Hollings Act, this oil shale program remains viable. With the problems confronting Congress relative to the national deficit and passage of the Gramm/Rudman/Hollings Act, we recommend an FY 1987 oil shale budget minimum of $10.316 million; this is 85% of the FY 1986 budget base. At this level the program can maintain a steady but reduced rate of progress toward development of a strong technological base. A vital core program can be maintained if appropriate adjustments are made. We recommend increasing specific Eastern Oil Shale Research and the Base Technology subprogram while making a substantial reduction in the Environmental Mitigation subprogram. Reduction of Environmental Mitigation was suggested in the Department of Energy FY 1987 budget request. Our suggested budget follows:

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|---|---|
| Eastern Oil Shale | $ 3.816 million |
| Base Technology | $ 5.983 million |
| Environmental Mitigation | $ .517 million |
| Total | $10.316 million |

Supporting research to maintain a technological data base for the future is surely one of the responsibilities of the federal government. This, certainly, is a continuing requirement in the case of oil shale under the Department of Energy's current program of long-range and high risk technology development aimed at an assured future energy supply. However, such support must be selective, specific, and represent a realistic energy opportunity. Our review of the oil shale program funding adjusted to the Gramm/Rudman/Hollings Act requires a review of the priorities based on the known technology state-of-the-art.

The School of Mines and Energy Development has been deeply involved in improving our research base on Eastern oil shale, hence we offer our thoughts regarding the priorities for a meaningful oil shale R&D program. In addition to our laboratory research efforts, we continuously monitor activities pertaining to the emerging technologies, research findings, environmental concerns and economic factors that might impact utilization of Eastern shale. We acknowledge that the state of Alabama and The University of Alabama have a vested interest in the federal program on oil shale since our state is blessed with large resources of the shale. Hence, we consider development of this resource as very important to the state's future.

There is ample evidence indicating that significant differences exist between the Eastern and Western oil shales. For example, Eastern oil shales are leaner in oil yield, as measured by Fischer Assay, because of an inherent hydrogen deficiency. The presence of abundant organic carbon in Eastern oil shales strongly indicates a need to add hydrogen during oil recovery. On the other hand the lower carbonate content of Eastern oil shale favors some potential oil recovery processes, such as supplemental hydrogen production via the water gas shift reaction. Also this lower carbonate content of Eastern shales requires a lower thermal input during retorting. The presence of abundant water resources, proximity to the market and refineries, and available skilled labor supply, tend to offset many presumed economic advantages of Western oil shale.

We are encouraged by our recent results on recovery of oil from Eastern shales. With further research and development of the technology it now seems probable that Eastern shale oil can be produced at a cost of $25 per barrel or less. This projected cost is much less than a projected Western shale oil cost of $45 to $55 per barrel that the Department of Energy cites in their 1987 budget request. The prospect of dramatically improved economics for Eastern shale oil justifies continuation of, and a modest increase in, the funding for research specific of Eastern oil shale. We recommend a funding level of $3,816,000 for specific Eastern shale research for FY 1987. The FY 1986 Eastern oil shale appropriation is $2,000,000. This recommended funding level should be directed to:

- Continuing beneficiation and hydrogen retorting studies underway at Hycrude Corporation and the University of Alabama ($1,700,000).
- Support for innovative processing on Eastern oil shale through the Program Research and Development Announcement issued 1/15/86 by the Department of Energy ($1,116,000).
- Characterization studies of Eastern oil shale and Eastern shale oil ($500,000).
- Study of water gas shift reaction during retorting of Eastern oil shales ($500,000).

For the oil shale technology base we recommend $5,983,000 for FY 1987. This recommended funding represents a decrease on the oil shale technology from the FY 1986 base level of $6,447,000. This level will permit continuation of some existing technology studies at Morgantown Energy Technology Center, Western Research Institute, and Lawrence Livermore National Laboratory. Further we recommend that the present studies of in situ processing and fragmentation modelling be discontinued and solids recycle chemistry and modelling be reduced and moved to METC. These modifications will permit the Department of Energy to undertake new work on innovative processes and to conduct a study of the other nonfuel mineral values present in oil shale. To be specific, a generic study of the nonfuel mineral values in oil shale, such as uranium, vanadium, molybdenum, cobalt, nickel, titanium, and sulfur, should be undertaken. Beneficiation of oil shale concentrates the kerogen rich portion of the shale to economically attractive levels. This kerogen rich shale concentrate is rich in many other mineral values of interest. Some of these minerals are of great strategic importance and are on the national critical minerals list. The technical and economic feasibility of recovery or separation of these nonfuel minerals should be given careful study. For emphasis, I repeat that this recommended 1987 funding is sufficient to initiate a study of recovery of all fuel and nonfuel mineral values from oil shale. In addition to strategic mineral values, recovery of the heavy metals and sulfur may substantially improve the economics as well as significantly reduce the environmental risks.

Further we recommend that environmental mitigation funding be reduced from the FY 1986 appropriation of $3,689,000 to a suggested FY 1987 level of $517,000. We justify this reduction on the basis that environmental mitigation tends to be specific to the technology selected and to the production site. Until the technology is improved to the point that sound technical and economic decisions can be made, environmental studies should be reduced to a core level necessary to maintain a program at Morgantown Energy Technology Center. The $517,000 we recommend for FY 1987 environmental mitigation is consistent with the Department of Energy's 1987 budget request.

The University of Alabama strongly endorses continued funding of the national oil shale effort, including the specific Eastern oil shale R&D program initiated in FY 1985, and urges the appropriation of a rather modest $10.316 million budget for its continuation in FY 1987. We feel that is near the minimum level for a meaningful R&D program. Let me re-emphasize that the program we recommend begins to focus on Eastern oil shale. The recommended research program has the potential to greatly extend the resource base and dramatically improve the economics of oil shale recovery.

## STATEMENT OF DONALD R. GLENN, VICE PRESIDENT, ENERGY RESEARCH CORP.

I am Donald R. Glenn, Vice President of the Energy Research Corporation (ERC), a subsidiary of the St. Joe Minerals Corporation, a Fluor Company. ERC is among the top two U.S. capabilities in the R & D sector dedicated to advancing and manufacturing electro-chemical power production equipment, specifically batteries and fuel cells.

In assessing the short term energy horizon, it may be convenient to create a case for dramatic, and disproportionate budget reductions (in energy development) from among the R & D agencies. In setting your priorities in this fiscal climate, I hope that the other "defense" sensitivity, our energy security, is viewed as the equivalent in our power and industrial "bloodline" as weaponry is to our military.

The sudden decline of imported oil prices coupled to the steady decrease in natural gas prices are luring our people into a false sense of energy abundance. We've seen this before ... twice. A big difference, however, is that the electrical share in the total energy demand, has increased over 10 points to 30% in 10 years While oil and natural gas prices are in a downward trend, electricity is the reverse. Utilities are being stung by long construction times as well as institutional and environmental barriers. Being coal- and nuclear-based, utility costs are unaffected by the oil and gas "glut." As a result they are moving away from large capital-intensive new plant investment to incremental generation additions and load management techniques to meet their steadily, but uncertain, increasing demands.

ERC's answer to this, is our Direct Fuel Cell (DFC) for on-site power and cogeneration in the smaller range (100 to 500 kW) and in dispersed generation systems covering from 1 to 200 MW with coal as the fuel of choice in the large systems. The DFC can be installed at the utility's site or at the customer's side of the meter, a most attractive option. The system is quiet, essentially non-polluting, offers very low cost electricity, facilitates easy and rapid implacement on virtually any site, and requires very little space. For these reasons, this technology deserves continued Federal support in partnership with the already-committed outside funding by ERC, EPRI and several other firms.

The second program is our Nickel-Cadmium Battery for electric vehicles. The long-sought capability to power a vehicle at normal driving speeds and with an acceptable range for urban/suburban travel is our objective. Of the few candidate batteries competing for this elusive marketplace, the ERC Ni-Cd is able to provide both tractive and other parasitic power with much the same reliability but longer life and at twice the energy storage capacity of lead acid cells.

### Direct Fuel Cell

Fuel cells are known to be more efficient than other conventional generators because they do not have any moving parts and are not Carnot cycle limited. The ERC Direct Fuel Cell (DFC) is the most efficient power generation technology known. By accepting the fuel gases directly, expensive external equipment and piping are eliminated with the resulting electrical efficiency reaching 60% and higher.

The fuel cell stacks (the heart of the generation plant) are modular and only increase in numbers to satisfy a user's capacity requirements. Most importantly, the system is non-polluting (even with coal fuel), quiet, and easily and quickly assembled on any available site. In fact, a 2 MW dispersed powerplant needs less than 1/8 acre!

ERC continues to achieve measurable technical progress in our Direct Fuel Cell (DFC) program. Most notably, we built and successfully tested a 10-cell subscale, short stack incorporating our internal reforming technology and newest component design features.

Other program progress includes:

- Anode creep-resistance verified for required life.
- Internal reforming design verified for projected life.
- Scale-up of a low-cost ceramic matrix to full scale is in hand.
- Advanced, cost effective bipolar plate tested in multicell configuration.
- Nickel solubility problems appears close to being resolved in tests now underway.

There are no known technical impediments to completing the design of our building block DFC module and the start of full-area short stack testing in the 1987-88 timeframe.

I'd like to now address the DOE-Fossil Energy budget and guidance for FY 1987.

In the context of defending promotion of domestic competition, a stated objective by DOE, a more serious issue is that of international competition. In this regard, the American preeminence in providing power generation hardware and powerplants is in serious jeopardy with respect to the MCFC concept.

In 1984, ERC defined a 3-year program leading to a full-scale stack test at 50-100 kW by late 1987. The effort was proposed at $15.5 million of which $3.0 million is secured through private sector support. The DOE-portion appropriated (for FY 85/86) is $6.25 million, less 15% "taxed" for DOE-management activities, leaving $5.31 million, or $1.7 million short of the originally proposed ERC R & D effort. Of necessity, ERC has replanned in accordance with these funding variations and has intensified efforts to broaden the private sector interest and attract more support. The good news is that we expect added support from a prominent electric utility. The bad news is that EPRI, our major outside supporter is facing drastic R & D funding reductions due to the poor economic condition of their member companies. The result is a new decrease in the non-government funding for this year. The program has slipped about one year, to the 1988-early 1989 timeframe for the first full DFC scale stack test. The DOE-portion program funding to preserve this new schedule is $5.0 million in FY 1987 and 2.5 million in FY 1988.

Nickel-Cadmium EV Battery

With almost a full year into the three-year program to develop and deliver a low maintenance, cost effective 100-mile range battery, ERC is on schedule and within budget. A primary task is to evolve an integrated multi-cell design with only the customary two posts, a positive and negative, and a electrolyte replenishment port (if needed).

ERC has developed two approaches for intercell connection internal to the battery module case. This is a key technical requirement for a commercially acceptable product. Another advance is an improved low-cost, reliable current collector capable of carrying the developed amperage to the module's terminals with minimum internal resistance (a major cause of power loss) and having long-life (5 years or 50,000 miles) capability.

A particular challenge is being able to offer a low- or no-maintenance product, as is now common with many lead acid modules. ERC is developing chemical and catalyst recombination designs that encourage the hydrogran and oxygen gases, now normally vented, to remain within the cell/module envelope as water or water vapor and, thereby, eliminate the water addition of non-sealed cells. In this area, ERC has successfully tried a novel "catalyst pillow", a chemically-impregnated material that is installed in the battery for the product.

With a somewhat reduced FY 1986 appropriation, the potential to complete the cost-shared program in FY 1987 is in question but is still feasible and desirable. The remaining activities, that of final design of several components and the EV module, can still be finished and the specified test units built, tested and shipped to DOE labs for their evaluation. ERC suggests that $1.25 million be provided to complete the project as planned.

In both programs, private sector funds have been garnered and are strongly linked to the funding profiles negotiated for the government's portion. For this reason, and to maintain the inertia of the good progress now underway, this position appears justified and is recommended.

I thank the committee for its strong leadership and positive support for these programs. Their contributed value and pay-off are only a very few years away. I welcome your questions and comments on our programs.

## STATEMENT OF DAVID O. WEBB, SENIOR VICE PRESIDENT, POLICY AND REGULATORY AFFAIRS, GAS RESEARCH INSTITUTE

I appreciate the opportunity to submit testimony which presents Gas Research Institute's (GRI) views and FY 1987 budget recommendations for gas-related research in the Department of Energy's (DOE) fossil and conservation programs. GRI recognizes the nation is facing severe federal budget deficits and supports the need to drastically reduce expenditures as Congress intended when it passed the Gramm-Rudman-Hollings bill. Therefore, GRI is recommending a $92 million core program for gas-related research in these DOE programs. This recommendation is approximately 16 percent lower than the FY 1986 congressional appropriations of $109 million for these projects. Central to the recommendation is GRI's plan to commit $125 million to associated near-term research in 1987.

GRI is a not-for-profit research organization that plans, manages, and finances a cooperative research and development (R&D) program for the benefit of its 233 members and their customers. Even though GRI is not a government contractor and does not accept federal funds, GRI cofunds many of its research projects with DOE. Therefore, congressional action on the proposed FY 1986 deferrals and the FY 1987 DOE budget has a direct impact on the gas industry's research program.

### DOE FUNDING POLICY SHIFTS

In examining the DOE FY 1987 budget, it is important to note that this year's request significantly reduces spending for energy R&D and increases spending for DOE defense-related activities. Overall, the DOE budget assigns $8.2 billion, or two-thirds of the funds, to defense activities, an increase of 14 percent over the current budget. At the same time, new budget authority for energy conservation research, which Congress funded at $428 million in FY 1986, is slashed to only $34 million, and fossil energy R&D is reduced from $312 million in FY 1986 to $83 million.

To further illustrate this dramatic funding shift, the proposed DOE FY 1987 budget request for the Strategic Defense Initiative (SDI) program is $604 million—five times the combined new budget authority for all fossil and conservation programs. This is not sound national policy. If federal energy R&D funding continues this downward spiral, in a few years the nation will once again find itself faced with rapidly rising levels of oil imports because it has not fully developed its domestic fossil energy resources. It should be noted that the nation's oil import bill in 1985 was still over $52 billion, and oil imports amounted to 21 percent of consumption. Therefore, terminating ongoing energy R&D programs invites severe problems in meeting future energy demand.

### RATIONALE FOR FEDERAL ENERGY FOSSIL AND CONSERVATION R&D

The urgency of maintaining a viable federal R&D program in fossil energy and conservation becomes self-evident when we examine where the U.S. is projected to get the major portion of its energy supplies during the next 25 years. DOE's FY 1987 budget book indicates that in 1984 the U.S. received 90 percent of its energy from fossil fuels. GRI's projections (See Exhibit 1) indicate that in the year 2010 the U.S. will meet 75 percent of its energy needs from oil, gas, and coal. Yet DOE has proposed to assign less than 1 percent of its FY 1987 new budget authority to fossil energy and conservation research. The DOE FY 1987 budget request does not provide for a balanced energy R&D policy. Even with the severe spending reductions proposed for fossil and conservation research, to fully fund the reduced programs requires the use of $67 million of fossil and $37 million of conservation R&D funds Congress appropriated just four months ago. The administration's FY 1986 deferrals will result in the termination of programs Congress specifically approved.

DOE Secretary Herrington stated in his testimony before this Committee last week that DOE's policy is to ". . . concentrate on longer-term research and development leading to a balanced and mixed energy resource base." National energy policy as modified by Congress has stressed development of ample supplies of domestic energy resources and more efficient energy use to reduce the dependence on insecure oil imports. A central element of this policy has been congressional initiatives to restore funding for fossil and conservation research programs. Unfortunately, if the nation is to have a balanced energy program, it will require congressional initiatives again this year.

### NEED FOR DOE FUNDING FOR NATURAL GAS R&D

If funding for a viable federal/gas industry research program is continued, the technology base necessary to develop domestic supplemental gas supplies and more efficient appliances, equipment, and processes to use gas can be established. To develop this technology base requires a 10- to 15-year lead time. The current drop in world oil prices provides a "window of opportunity."

GRI is recommending $65 million for gas-related research in the fossil energy program and $27 million in the conservation program to fund the technology base. (See Exhibit 2.) In the past four years, Congress has recognized the need for a long-term DOE gas-related program in fossil energy and conservation, and it has appropriated approximately $110 million each year for these programs. The gas industry is seeking a continuation of this trend in FY 1987 at a reduced level.

### GAS RESEARCH INSTITUTE'S 1987 BUDGET

In contrast to DOE's drastically reduced funding for long-term gas research, the gas industry's response to federal R&D policy directing industry to fund more of its own near-term R&D has been impressive. While DOE has proposed only about $40 million—less than half the level of FY 1986 appropriated funds—for FY 1987 gas research in fossil energy and conservation programs, GRI is planning to increase its own budget for near-term activities in these research areas from $85 million in 1985 to $125 million in 1987—a 50 percent increase over the past 3 years. (See Exhibit 3.)

### RECOMMENDED DOE FY 1987 GAS-RELATED RESEARCH

With the gas industry rapidly increasing its near-term research activities, it is critical for DOE to continue ongoing long-term gas research to have a viable national program. Important programs in gas research that this Committee previously supported that require continued federal funding are:

| FOSSIL ENERGY | FY 1985 Appropriation | FY 1986 Appropriation | GRI FY 1987 Recommendation |
|---|---|---|---|
| Underground Coal Gasification | $ 5.76M | $ 4.10M | $ 5.00M |

It is essential to complete the research efforts to verify the Controlled Retracting Injection Point (CRIP) concept for underground coal gasification. The next step is to conduct R&D using this CRIP technology in producing gas from a sustained burn. Federal support of $5 million is required. Approximately $1 million of this could be funded from the cooperative ventures R&D pool. GRI and the gas industry have $1.1 million to cofund the cooperative venture elements of this program.

| | FY 1985 Appropriation | FY 1986 Appropriation | GRI FY 1987 Recommendation |
|---|---|---|---|
| Unconventional Natural Gas | $10.24M | $ 8.50M | $14.00M |

The National Petroleum Council (NPC) estimates an additional 200 Tcf of gas reserves can be competitively produced from tight gas formations and Devonian shales through development of advanced technology. GRI recommends that DOE continue the multiwell test facility in the lenticular (individual lens-shaped deposits embedded in shale rock) formations in tight sands. DOE should continue the field laboratory efforts to develop improved diagnostic techniques. This will require $7 million. GRI's 1987 budget for near-term research in tight sands is $11.7 million.

DOE research to recover gas from Devonian shale found in nine eastern states should continue. DOE funding of $4 million is required in FY 1987 to continue the two contract efforts in recovery efficiency and installation of a reservoir testing facility. METC manages these programs, and they are coordinated with GRI's Devonian shale research which is budgeted at $7.3 million in 1987.

| | FY 1985 Appropriation | FY 1986 Appropriation | GRI FY 1987 Recommendation |
|---|---|---|---|
| Surface Coal Gasification | $31.99M | $41.30M | $18.00M |

Coal gasification is the critical technology step in developing advanced combined-cycle power plants and in using eastern coal in many industrial processes. System testing and verification must be completed so that cost and performance data is available to build commercial plants. Continued development of advanced fluidized-bed processes will require $9 million. Federal support for a long-term core program in improved catalysts, materials, and instrumentation requires funding of $8.5 million.

| | FY 1985 Appropriation | FY 1986 Appropriation | GRI FY 1987 Recommendation |
|---|---|---|---|
| Fuel Cells | $18.00M | $20.30M | $18.00M |

Fuel cell power systems represent a unique approach for supplying both electricity and heating requirements for residential, commercial, and industrial facilities. Congress recognized this potential by adding $26 million to the DOE FY 1986 budget. Despite this clear statement of congressional intent, in FY 1987 DOE proposes a budget of only $5 million and proposes to defer $22 million of the $26 million Congress added. These deferrals will cause termination of ongoing research projects.

In the GRI/DOE onsite phosphoric acid fuel cell program, Congress appropriated $6 million in FY 1986 that must be funded if the 50-50 cost-shared technology development is to be completed as planned. It is essential that DOE continue its long-term research programs in phosphoric acid fuel cell research. This cost-shared research is only two or three years from a logical conclusion that could result in commercial onsite power systems in the 1989-1991 time frame. GRI proposes $18 million for gas-related fuel cell research in DOE for FY 1987. This includes $4 million for research on phosphoric acid systems, $10 million for molten carbonate systems, and $4 million for work in solid oxide fuel cells. GRI proposes to cofund the onsite phosphoric acid fuel cell research.

| | GRI Recommendation |
|---|---|
| Clean Coal Technologies/ Gas-Enhanced Flue-Gas Cleanup | $ 4.00M |

GRI is currently working with the Energy and Environmental Research Corporation (EERC) in Irvine, California, and with the EPA to develop a dry sorbent injection technology combined with combustion modification techniques to control $SO_x$ and $NO_x$ emissions from coal combustion by incorporating two developing gas combustion technologies which can be applied individually or as an integrated system. GRI's program with EERC is to enhance the cost-effectiveness of this technology.

Nitrogen oxide emissions are a contributing factor to acid deposition. The formation of $NO_x$ during the combustion of fossil fuels can be minimized by appropriate modification of the combustion mixing process. When using gas, it appears that this technology is capable of reducing $NO_x$ by about 50 percent beyond the current NSPS level achievable with low-$NO_x$ burners.

Over the next two years, GRI plans to spend approximately $5 million to support this research and development. GRI has corresponded with DOE and has indicated if proposals to demonstrate these technologies are submitted in response to the clean coal solicitation, GRI is interested in cofunding.

| CONSERVATION | FY 1985 Appropriation | FY 1986 Appropriation | GRI FY 1987 Recommendation |
|---|---|---|---|
| Gas Heat Pump | $ 4.60M | $ 4.20M | $10.00M |

The gas heat pump offers increased efficiency over existing gas-fired space conditioning equipment and can provide heating and cooling in a single unit at a lower overall cost. When you consider that over 40 million homes heat with gas, the rationale for an aggressive joint DOE/gas industry research program is self-evident. GRI has been participating with DOE for the past three years in heat pump research. The proposed joint DOE/GRI program would include mechanical and absorption heat pumps.

The GRI strategy calls for development of a first-generation heat pump for market introduction by 1990 and an advanced heat pump using new engine technology in the mid-1990s. Reaching these goals in a timely manner will require an expanded and cooperative DOE/GRI research program. Several attractive long-term technologies, specifically free-piston Stirling engines and free-piston internal-combustion engines, show potential. These should be developed. GRI's budget in 1987 for heat pumps totals $14.45 million, which more than matches the recommended DOE program.

**SUMMARY**

A long-term gas research budget of $92 million (see Exhibit 2) for DOE's fossil and conservation programs is recommended in FY 1987 to continue programs Congress approved during the past three years. It is consistent with the budget realities of the Gramm-Rudman legislation since it is 16 percent less than last year's appropriations for these same programs. To balance the recommended DOE program, GRI's planned 1987 budget for these research areas will be $125 million.

Exhibit 1

Table 1. 1985 GRI Baseline Projection of U.S. Primary Energy Consumption (Quads)

| | Actual 1984[a] | 1990 | 2000 | 2010 |
|---|---|---|---|---|
| Petroleum | 31.1 | 32.3 | 34.6 | 35.7 |
| Gas[b,c] | 17.9 | 18.3 | 18.7 | 16.5 |
| (Total Gas Fuels)[d] | (18.0) | (18.4) | (19.0) | (17.3) |
| Coal | 17.2 | 19.6 | 24.9 | 30.9 |
| Nuclear | 3.6 | 6.4 | 6.5 | 5.7 |
| Hydro | 3.7 | 4.0 | 4.0 | 4.0 |
| Renewables[e] | 4.3 | 5.1 | 6.7 | 9.4 |
| Total | 77.8 | 85.7 | 95.4 | 102.2 |

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[a] *The March 1985 DOE/EIA Monthly Energy Review (MER) (published June 1985) is used as the source of 1984 historical data. Subsequent MERs included a significant shift in gas consumption from the industrial to the residential/commercial sectors. However, total gas consumption showed almost no change. The 1985 GRI Baseline Projection was based on history and reflects the unrevised data. As a result, the 1984 historical information presented in the tables reflects the earlier estimate of historical data.*

[b] *Excludes synthetic gas from petroleum and coal.*

[c] *Projected gas consumption shown in the table is consistent with the base technology assumption.*

[d] *Total gas fuels includes 0.1, 0.3, and 0.8 quad of synthetic gas from petroleum and coal in 1990, 2000, and 2010, respectively.*

[e] *Includes wood, solar, direct geothermal heat, etc.*

**Table 4. 1985 GRI Baseline Projection of U.S. Energy Consumption by Sector (Quads)**

| | Actual 1984[a] | 1990 | 2000 | 2010 |
|---|---|---|---|---|
| Residential | 9.7[b] | 9.9 | 9.9 | 10.3 |
| Commercial | 5.7[b] | 6.6 | 8.0 | 9.5 |
| Industrial | 24.3 | 27.8 | 31.5 | 32.5 |
| Transportation | 19.8 | 20.2 | 22.2 | 22.5 |
| Total Delivered | 59.5 | 64.5 | 71.6 | 74.8 |
| Net Losses[c] | 18.3 | 21.2 | 23.8 | 27.4 |
| Total Primary | 77.8 | 85.7 | 95.4 | 102.2 |

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[a] *The March 1985 DOE/EIA Monthly Energy Review (MER) (published June 1985) is used as the source of 1984 historical data. Subsequent MERs included a significant shift in gas consumption from the industrial to the residential/commercial sectors. However, total gas consumption showed almost no change. The 1985 GRI Baseline Projection was based on history and reflects the unrevised data. As a result, the 1984 historical information presented in the tables reflects the earlier estimate of historical data.*

[b] *Historical Energy Information Administration (EIA) statistics for 1984 do not disaggregate data for the residential and commercial sectors.*

[c] *Primarily losses in electric generation and transmission and coal gasification.*

## Exhibit 2
## RECOMMENDED DOE GAS-RELATED BUDGET FOR FY 1987 WITHIN INTERIOR APPROPRIATIONS JURISDICTION
($ Millions)

| | FY 1987 Recommended | FY 1986 Appropriation |
|---|---|---|
| ARTD | $ 6.0 | $ 12.8 |
| Fuel Cells (Gas-Related) | 18.0 | 20.3 |
| Surface Coal Gasification | 18.0 | 41.3 |
| Unconventional Gas | 14.0 | 8.5 |
| Underground Coal Gasification (Technology Base) | 4.0 | 4.1 |
| Conservation | 25.0 | 21.8 |
| Natural Gas Vehicles | 2.0 | 0.0 |
| Subtotal | $ 87.0 | $108.8 |
| Gas-Enhanced Flue-Gas Cleanup (Clean Coal Technology Fund) | 4.0 | N/A |
| Underground Gasification (Cooperative Ventures Pool) | 1.0 | N/A |
| TOTAL | $ 92.0 | $108.8 |

## Exhibit 3
## GRI FUNDING FOR FOSSIL ENERGY AND CONSERVATION RESEARCH
($ Millions)

| | GRI 1986 Approved Funding | GRI 1987 Planned Funding |
|---|---|---|
| Unconventional Gas | $ 27.1 | $ 26.9 |
| Coal Gasification | 7.7 | 4.7 |
| Fuel Cells | 5.5 | 8.4 |
| ARTD | 5.2 | 8.9 |
| Gas-Enhanced Flue-Gas Cleanup | 2.6 | 3.7 |

| | | |
|---|---|---|
| R/C Heating and Cooling | 7.0 | 9.9 |
| R/C Heat Pumps | 12.1 | 17.7 |
| R/C Gas Appliances | 3.9 | 4.8 |
| CNG Applications | 1.6 | 1.6 |
| Energy Cogeneration Systems | 7.3 | 7.6 |
| Industrial Utilization | 19.3 | 22.8 |
| Indoor Air Quality | 2.1 | 2.4 |
| Basic Research | 4.1 | 5.5 |
| TOTAL | $105.5 | $124.9 |

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## Statement of Alex G. Oblad, Principal Investigator, Professor of Metallurgical and Fuels Engineering, Member, National Academy of Engineering

The Departments of Fuels Engineering, Metallurgical Engineering, and Chemical Engineering of the University of Utah have been conducting research for the development of U.S. tar sands for the past 12 years (see chart). As far as we know, our program is currently the only active program in the U.S. researching mining and above-ground technology recovery. Over the past 12 years we have achieved notable success in developing the scientific and engineering data necessary for commercialization of this important resource. The faculty members working on the program possess extensive industrial experience and are highly regarded. We have been called upon frequently by government and industry to supply information for their studies and to assist in their decision-making process.

No less than a dozen major energy and engineering companies have visited our facilities to obtain information for in-house programs and for assisting in corporate decisions regarding leasing and development. At least one significant company merger can be directly attributable to the results supplied by our work. We have no good way of valuing other less tangible benefits. However, over 20 M.S. and PhD. degrees have been granted in our tar sand program and the list of scientific publications resulting from the program now number more than 60. The state of Utah, which with its major tar sand resources makes it the 2nd largest petroleum resource state in the union, has an active interest in tar sand development. Since 1981 Utah has matched $1 for every $2 in research funding provided by DoE for our program.

We have recently learned that the DoE budget proposed for FY '87 calls for no further funding of tar sand research. We feel that discontinuing funding of tar sand research would result in significant adverse impacts for the country. First, it must be understood that domestic tar sand resources are petroleum-like in nature and products from this resource are more readily refinable than would other unconventional sources of hydrocarbons. Tar Sands could contribute to our nation's energy supply in the shortest period of time, but additional research is required before this will happen. Second, economics of commercialization do not appear to be necessarily the major constraint to development. A far greater constraint in our judgement is the fragmented lease positions in which logical development units have never been delineated. This has resulted in a situation, especially in Utah and perhaps elsewhere, in which leases are generally held by speculators with no research ability while major industry, with the research ability, does not hold the leases and has little incentive to either block up the leases or invest funds in research.

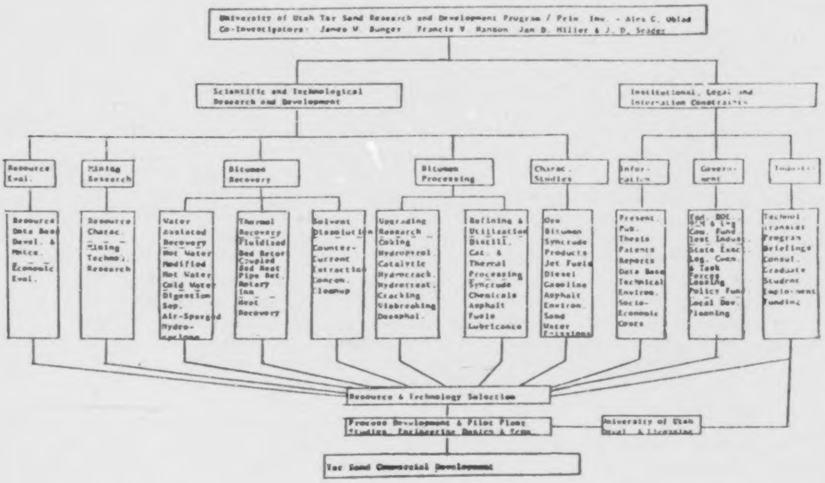
Third, the technological research needs relate principally to the variability in the resource, both geological and chemical. These variations prohibit direct adaptation of technology developed for Alberta, Canada resources. As a matter of interest, Alberta has consulted with us on various occasions regarding our findings to assist in their future developments. We feel there is a high probability that some of our technology will prove applicable to their developments.

The current DoE program, as modest as it is, represents the one focal point of information and expertise currently available on U.S. tar sands that could serve as a nucleus for future developments. Discontinuing funding would effectively stop tar sand research and would result in a disbanding of the expertise currently available. The state of Utah would also be effectively taken out of the program because Utah could not carry on significant tar sand research alone without the federal government contributing to this work.

In our judgement a slightly accelerated program from FY '86 would result in a commercial plant of modest size in as little as 5 years. The primary product would be asphalt which we feel is currently profitable. We have recently learned that the U.S. is importing significant quantities of asphalt produced from Canadian tar sands and there is an appreciable market for such products in Utah and surrounding states. Asphalt is expected to become an increasingly important commodity as our current generation highways require resurfacing. An unconventional hydrocarbon commercial plant would greatly assist our state and national confidence that such development could contribute to our nation's energy security.

It is our consensus that the current downturn in world oil prices is temporary and partly artificial and could portend a swing in the opposite direction of equally major proportions. Now seems to be the most opportune time to conduct the necessary research so that the technology is ready when needed. In our judgement the venture pool approach proposed by DoE will not work with tar sands. The research is not sufficiently advanced nor is information available for the ventures to be successful even if participants could be identified. If the base research program is discontinued there would be no central place for ventures to gather information. Maintaining the current research effort at a comparable level to FY '86, but shifting the focus slightly toward shorter term commercialization is the best way to proceed at this time. It is our understanding that this recommendation is also consistent with that of the state of Utah.

We appreciate your consideration of our testimony and would be pleased to have this entered into the record for your committee hearings.


University of Utah Tar Sand Research and Development Program / Prin. Inv. - Alex C. Oblad
Co-Investigators: James W. Bunger Francis V. Hanson Jan D. Miller & J. D. Seader
Scientific and Technological Research and Development
Institutional, Legal and Information Constraints
Resource Eval.
Mining Research
Bitumen Recovery
Bitumen Processing
Charac. Studies
Information
Government
Industry
Resource Data Base Devel. & Maint. Economic Eval.
Resource Charac. Mining Technol. Research
Water Assisted Recovery Hot Water Modified Hot Water Cold Water Digestion Sep. Air-Sparged Hydrocyclone
Thermal Recovery Fluidized Bed Retort Coupled Bed Heat Pipe Ret. Rotary Ind. Heat Recovery
Solvent Dissolution Counter-Current Extraction Concen. Cleanup
Upgrading Research Coking Hydropyrol. Catalytic Hydrocrack. Hydrotreat. Cracking Visbreaking Deasphal.
Refining & Utilization Distill. Cat. & Thermal Processing Syncrude Chemicals Asphalt Fuels Lubricants
Ore Bitumen Syncrude Products Jet Fuels Diesel Gasoline Asphalt Environ. Sand Water Emissions
Present. Pub. Thesis Patents Reports Data Base Technical Environ. Socio-Economic Costs
Fed. DOE, BLM & Leg. Com. Fund Test Indust. State Exec. Leg. Comm. & Task Forces Leasing Policy Fund Local Dev. Planning
Technol. transfer Program Briefings Consul. Graduate Student Employment Funding
Resource & Technology Selection
Process Development & Pilot Plant Studies, Engineering Design & Econ.
University of Utah Patent & Licensing
Tar Sand Commercial Development

## STATEMENT OF FRANK C. SCHORA, PRESIDENT, HYCRUDE CORP.

**This testimony pertains to FY'87 Department of Energy's non-nuclear R&D appropriations.** HYCRUDE Corporation supports a $7.0 million program for Eastern oil shale R&D in FY'87 consisting of:

- * $1.5 million for continuing pressurized hydroretorting research.
- * $1.5 million for continuing oil shale beneficiation research.
- * $2.0 million for continuing novel concepts research.
- * $1.0 million for continuing support research activities.
- * $1.0 million for continuing environmental studies.

Mr. Chairman and Members of the Subcommittee:

My name is Frank C. Schora. I am president of HYCRUDE Corporation, which was formed in 1980 specifically to further research and development efforts for production of synthetic crude oil from Eastern U.S. oil shales.

Eastern oil shale is a vast resource which will one day provide our nation with an indigenous supply of synthetic crude oil, upon which our transportation and defense systems depend. The decline of oil spot prices to below $15 per barrel does not encourage the immediate development of an eastern shale oil industry by the private sector. It is imperative, however, to provide a modest level of federal funding for eastern oil shale research programs so that in the future we will have the ability to respond to inevitable oil price increases. To reduce R&D efforts below present low levels will result in a loss of technical expertise in these areas which will take years to rebuild.

Eastern oil shale has previously been considered a secondary resource. The eastern and western oil shale deposits are totally different, both geologically and chemically, as pointed out in DOE's own oil shale program plan. The western oil shale deposits are in general deep mined, yield 25-30 gallons of oil per ton when retorted by conventional technologies and are located in sparsely populated areas. In contrast, the eastern oil shale deposits are surface mineable, require specialized retorting technologies to obtain oil yields in excess of 25 gallons per ton and are located in a more populous region of the country which is in close proximity to process water, skilled work forces, oil refining capacity, distribution systems and markets. These drastic differences in the nature of the two resources and the environment which surrounds them invalidate a "generic" research program.

The only studies which can be usefully performed generically are basic thermodynamic studies and the development of process simulation computer programs. In fact, work sponsored by DOE supports the conclusion that little generic work can be performed in either the Technology Base or Environmental Mitigation Areas. A study performed by Los Alamos National Laboratory concludes that Eastern oil shale requires substantially different retorting technologies than the western oil shale resouce in order to obtain the most economical recovery of oil. The study shows that moving-bed hydroretorting, which was developed specifically for the eastern shale resource, produces oil from eastern shale at a substantial cost savings compared to the TOSCO and Paraho processes developed for operations involving western shale. Furthermore, the study concludes that much more research would have to be conducted on these "western" shale processes before they could be applied to eastern shale because of chemical differences in the resources.

In addition to the distinctly different process technologies required to fully utilize eastern and western oil shales, it must be recognized that the two resources are located in entirely different ecosystems. The differences in shale chemistry and the environment in which the resources are located dictate that separate environmental research activities also be conducted for the Eastern oil shale resource.

For example, a study performed under DOE sponsorship by Ultrasystems concludes that residuals of potential pollutants remaining in retorted shale is dependent upon the type of shale and retorting process utilized. Therefore, the tendency of retorted shales to leach and pollutants which may potentially be found in the leachates are not to be expected to be the same for eastern and western shale.

In recognition of the unique research needs of Eastern oil shale, your Subcommittee participated in the establishment of an eastern oil shale research program in FY'85, and its continuation in FY'86. As a result of the establishment of this program, several important research efforts have been initiated including:

- * expansion of the data base for moving-bed hydroretorting, a process which has been proven to obtain oil yields for eastern shales approximately twice as high as would be obtained if conventional retorting methods were utilized.
- * research on the beneficiation of various Eastern oil shales.
- * the establishment of a Program Research and Development Announcement (PRDA) for novel concepts.

It is important to maintain an eastern oil shale research program to complete the projects listed above and to make efficient use of the results obtained in these programs.

HYCRUDE Corporation recommends $1.5 million in FY'87 to continue the research program on expanding the data base for moving-bed hydroretorting of Eastern oil shales and for investigation of fluidized-bed hydroretorting of both raw and beneficiated Eastern oil shales.

HYCRUDE Corporation also recommends $1.5 million to continue the eastern shale beneficiation program and to investigate the recovery of strategic metals from spent shale, the removal of pyritic sulfur from shale during beneficiation and subsequent microbial removal of organic sulfur, and the effects of water recycling on the beneficiation process.

HYCRUDE Corporation also recommends $2.0 million for the continuation and expansion of the novel concepts research program; $1.0 million for support research activities such as gathering thermodynamic, chemical and physical properties data for all researchers; and $1.0 million for environmental studies.

In conclusion, exact duplication of all western shale research in the DOE program on an eastern shale will not contribute useful data for eastern shale development. The requirements for development of eastern shale from both a retorting technology and environmental standpoint are unique. A specific program to address the research needs for Eastern oil shale is mandatory.

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## STATEMENT OF BERNARD S. LEE, PRESIDENT, INSTITUTE OF GAS TECHNOLOGY

This testimony pertains to FY'87 Appropriations for the Department of Energy non-nuclear programs. Specific requests are:

- * $2.0 million to investigate biocleaning, the IRM bed, and burn profiles to increase the utilization of fine coal as a new fuel form.
- * $3.0 million to test pollutant recycle and hot particulate removal at 500 psi pressure in an existing PDU.
- * $2.0 million to continue the ash chemistry and fluidization behavior research program.
- * $1.0 million to continue dye penetrant/CORAL analyses to better understand gas flow in tight formations.
- * $2.0 million to continue the development of a contaminant resistant molten carbonate fuel cell.

Mr. Chairman and Members of the Subcommittee:

My name is Bernard S. Lee. I am President of IGT, a not-for-profit energy R&D organization in Chicago.

Having spent my entire career in energy research, I am concerned that energy is no longer viewed as an important issue today. There are those who say that funding of energy research should be cut drastically or even eliminated. They see the trends of the recent past - falling prices, supply surpluses - as irrefutable proof that forecasters who predicted the world was running out of fossil fuel resources were wrong. Yet the current energy surplus situation is no more proof that the "experts" were wrong than the supply interruptions of the '70's were proof that their predictions had suddenly come true.

Despite the recent decline in oil prices, our long- or even medium-term domestic energy availability is not one whit better than it was ten years ago; in fact, it is worse. Even before the current "free-fall" in oil prices, drilling for oil and gas in the U.S. had begun to decline rapidly. Well completions were off 20% in 1985 from the previous year and down nearly 30% from the 1981 record. The current drop parallels last year's decline in the rig count and 1986 has gotten off to a bad start with 31% fewer operating rigs than a year ago. Domestic spending on exploration and development has plummeted from almost $40 billion in 1982 to $27 billion in 1984 and dropped another 15% in 1985. If oil prices stay down for 2-3 years, investment in exploration and development will decline even more. When you consider that drilling is increasingly moving to remote and difficult locations that are expensive to develop, the magnitude of the decline becomes even more serious. All the Persian Gulf producers are doing is pushing the oil price down to the point where we will again be addicted to "cheap" oil, while totally neglecting alternative energy developments.

It's worth noting that despite the $250 billion spent by the petroleum industry on domestic exploration over the 1980-84 period, proved oil reserves declined from 30 to 28 billion barrels and the U.S. has the lowest ratio of proved oil reserves-to-production (only 9 years) of any major oil producing country. Our nation's proved gas reserves in the lower 48 states have similarly declined and are now equivalent to only 10 years production.

Several months ago, even when the universal prognosis was that oil prices would remain stable, several industry and government forecasts were published that foresaw a significant decline in domestic oil production from nearly 9 million bbl/day in 1984 to 7-8 million bbl/day by the end of the century, and a concomitant rise in imports from 30% to half of our total oil demand over the same period. Oil imports are already our single largest import item - three times greater than the second largest, automobiles - and could cost as much as $100 billion annually by 2000.

However, even these forecasts are outdated by recent events, since lower prices will boost consumption and further discourage exploration and production investments. Lower prices will also discourage private sector research and development outlays because they constrain energy companies' cash availability, and postpone the prospects of commercialization of alternative energy sources and innovative production techniques. Further, oil company research budgets have been hit in some instances by the double whammy of drastically lower crude prices, coupled with significant debt loads and redeployment of fiscal resources. They are not just cutting exploration, but in even greater measure, R&D efforts. Excellent laboratory facilities and professional research capabilities are being decimated.

The argument has been made that increased dependence on oil imports would not adversely affect our energy security, since we and our allies have switched our sources away from the Persian Gulf to non-OPEC producing areas and more "secure suppliers". But, a recent GAO report cautions against the U.S. taking for granted the ability and willingness of individual Caribbean countries to sustain or increase oil supplies to us. Mexico and Venezuela were our number one and number three crude oil suppliers. The GAO report stressed the limits both of these countries have placed on exports to the U.S., and that they have either curtailed or delayed maintenance of existing oil facilities as well as development of new fields. An increase in U.S. demand could force a resumption of Middle Eastern petroleum imports.

It's also important to keep in mind that the major non-OPEC discoveries - the North Sea, the North Slope - were the result of exploration expenditures made before 1973-74 and that similar investments are not being made today. Thus, unless major new discoveries are made outside the Persian Gulf - and this seems unlikely - we may be back on bended knee to the Persian Gulf producers. Dependence will increase not only in the U.S. and other industrialized countries but in the developing countries as well. This indeed is part of OPEC's strategy - to boost oil demand worldwide and to discourage new discovery efforts, heightening worldwide dependence on OPEC.

This nation is on a collision course between growing dependence on expensive imports and a contraction of investments in the development of viable alternatives. Although this may not be the time for massive expenditures on development, this is certainly not the time to savage the federal energy research effort. Rather, the Congress should "stay the course" in continuing to provide for a cost-effective federal presence in the support of energy research. Now is the time to channel funding into next-generation technologies so that we have them "on the shelf" to be deployed when they are needed. But, you can't put a technology "on the shelf" for later use if there is an incomplete data base. One result of omitting critical links in technology development, is that the government will be unable to receive an adequate return on its investment in energy R&D of previous years.

We have suggested in past testimony that we need a mature national energy policy that directs a balanced and sustained program to develop appropriate technologies to meet our future energy needs. This policy should ensure a smooth flow of technology from the laboratory to commercial use. There is a need for a sustained federal role in energy research. The private sector is unlikely to continue the development of a broad array of energy technologies once federal support is interrupted, because the private sector can only concentrate on the short term in view of the arbitrary and politicized nature of the world energy arena. The private sector cannot risk its resources to strive for long-term stability when faced with the uncertainties and fluctuations of a world market controlled by different national governments.

A level of funding close to the Appropriations levels of FY'85 and FY'86 would appear to be appropriate to ensure that only the best research ideas are pursued. We do not seek expansions, rather we seek a sustaining of federal energy research efforts consistent with due concern for the federal budget deficit. Bear in mind the impact of adequate energy supplies on the Nation's economy: employment, GNP, the homeowner. We have already witnessed the impact of crude prices on the world economy. For example, with every $5 drop in the price of oil, our cost of living drops by 1%. The reverse is also true. Therefore, Congress and the Executive Branch should establish a sound energy policy and set priorities in the federal budget accordingly.

IGT has followed rigorous procedures in formulating recommendations to Congress for assistance on the budget. Each year we apply a thorough technical evaluation of the Nation's future energy requirements and the funding sources available from both government and industry. With this in mind, we are proposing a suite of research efforts which are small scale, inexpensive approaches to a variety of energy problems. As part of the gas industry position on energy RD&D for FY'87, we recommend the following specific programs in which IGT is involved:

## Advanced Research and Technology Development

IGT recommends $2.0 million to study biocleaning, the IRM bed, and burn profiles to increase the utilization of fine coal as a new fuel form.

## Surface Coal Gasification

IGT recommends $3.0 million to test pollutant recycle and particulate removal at 500 psi pressure in an existing PDU. IGT also recommends $2.0 million for the continuation of the ash chemistry and fluidization behavior research programs which provide fundamental data necessary for better understanding of fluidized bed coal gasification processes.

Unconventional Natural Gas

IGT recommends $1.0 million to continue dye penetrant/CORAL analyses to better understand gas flow in Devonian shales, tight gas sands, and coal seams.

Fuel Cells

IGT recommends $2.0 million to continue the development of a contaminant resistant molten carbonate fuel cell capable of processing gases containing sulfur and chlorine.

Thank you for the opportunity to present my views. I will be happy to answer any questions.

## STATEMENT OF NORMAN H. BANGERTER, GOVERNOR, STATE OF UTAH

On March 19, 1986, hearings before your Committee will focus on the FY'87 budget for the Department of Energy's (DOE) Fossil Energy Program. I would like to take this opportunity to express my support for continued federal funding of alternative fuels research efforts, particularly those related to tar sands.

As demonstrated on numerous occasions and referenced in testimony already before your Committee, Utah is eager to assist in this national program. Utah has historically taken a strong pro-development position with regards to development of our tar sand resources. Our intent has been to foster tar sand development through funding of research the private sector is unable to undertake, and providing a favorable economic and regulatory climate. This is reflected in our laws, administrative policies, and budget appropriations during my administration's tenure and the last ten years as demonstrated by the following:

- Since 1981, Utah has appropriated $1 for every $2 supplied by the federal government through Fossil Energy/DOE for research at the University of Utah,
- Through the Utah Department of Transportation and other agencies, Utah has provided funding for specific projects relating to production of asphalt and chemicals from tar sands,
- Utah has also provided significant funding for developing a means for assessing the economic value of tar sand and oil shale resources, a tool with obvious benefit for informed public policy and resource management decisions, and
- In 1980 Utah appropriated $500,000 as seed money for a pilot plant demonstration program.

Recently I was made aware of DOE intent to eliminate all funding for tar sands R&D. I believe this would be short sighted. The current DOE fossil fuel program for tar sands research and development addresses a host of major scientific and technological issues regarding above ground technology, in-situ technology, resource evaluation, and environmental studies--research the private sector cannot afford to undertake in today's depressed oil markets. Though modestly funded, through the years this program has grown to represents a vital focal point of information and technical expertise for the private sector's efforts to develop technologies to commercialize production. Complete recission of funding would effectively eliminate a valuable information base and technical expertise that has taken twelve years to assemble.

We may not always be able to predict nor direct the occasion when our tar sands resources are needed. Now is the most opportune time to fund basic research to alleviate the technological and environmental uncertainties necessary to ensure the knowledge and experience is in-place that will allow the private sector and the nation to expand alternative fuels production when market conditions or international events warrant development of tar sands. Continuation of federally-sponsored research and development will save the private sector and the nation the many years it would require to reassemble the technical expertise and duplicate the information already generated by federally funded tar sands research.

It is clear that federally funded tar sands research has many benefits to the nation. In this consideration I am sure you and I will come to a similar conclusion: timely development of our nation's tar sand resources are too important to be left to chance. Funding levels for basic research must be maintained.

I thank you for your consideration of this letter and would appreciate to have this entered into the record for your Committee's hearings.

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## STATEMENT OF GEORGE C. PIMENTEL, PRESIDENT, AMERICAN CHEMICAL SOCIETY

The American Chemical Society appreciates this opportunity to present its views on the Department of Energy's FY 1987 budget request for Fossil Energy. The Society believes the drastic cutback proposed for the Fossil Energy R&D budget is ill-advised. As a Nation, it is easy to give short shrift to energy issues when we are not faced with crisis situations; however, the long-term needs of the United States indicate that we cannot ignore the energy area. The Society's major recommendations are summarized as follows:

- Long-range coal research programs should be increased by $19.0 million over the budget request of $22.9 million. This should be considered a priority item in Fossil Energy.
- Other Fossil Energy programs should be restored to the FY 1986 appropriated levels.

A substantial portion of Fossil Energy R&D is connected to coal research. The 1985 Report, Opportunities in Chemistry, states that:

> Coal is the most abundant of the fossil fuel energy sources. Estimates of recoverable supplies worldwide indicate 20 to 40 times more coal than crude oil. The contrast is even more dramatic here in the United States where the estimates indicate 50 to 100 times more coal than crude oil. There can be no doubt that dependence on coal must increase during the next two or three decades...(1)

Since the Fossil Energy Research and Development program is directly responsible for producing the energy technology necessary for our future energy needs, sustained support of this R&D program is essential. Japan is becoming heavily involved in coal research. When coal becomes the primary energy source of choice, improved utilization of coal by Japan will result in manufacturing efficiencies and increased competition for the U.S. The United States has the opportunity to stay ahead if it nurtures its coal research base.

It is indeed unfortunate that cutbacks are being proposed at a time when the opportunities for advancement have never been greater. Today, new spectroscopic techniques, chemical procedures, and theoretical understanding are available to probe the structure and reactions of non-crystalline solids. New, in situ diagnostic tools and computer modeling techniques are being advanced for accurate determination of process behavior. The potential exists for rapidly

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1. National Research Council, Opportunities in Chemistry (Washington, D.C.: National Academy Press, 1985), p. 38.

developing new knowledge that could lead to revolutionary high technology processes for utilizing solid feedstocks in an environmentally safe and cost effective manner.

To utilize these resources properly, stable, continuous long-range R&D programs are needed to provide a sound, high technology foundation on which to select and implement the process alternatives. Unfortunately, U.S. capacity for fossil fuel research has been severely reduced. Recent mergers in the petroleum industry have resulted in substantial cutbacks in industrial research activities on alternative energy sources. Also, the present abundance of oil, the duration of which is uncertain, has led to the dismantling of many other alternative fossil fuel research efforts.

At the present levels of support, it will be difficult to maintain sound technical expertise and adequate training of new scientific and engineering talent in the technologies of coal, oil shale, and tar sands. Unless corrected, this situation will jeopardize the ability of the U.S. to respond effectively to the next oil shortage.

The ACS is distressed at the drastic reduction proposed for the Fossil Energy budget. The Society sets a high priority on the long-range coal research effort and recommends that the FY 1987 Fossil Energy budget items for long-range coal research(2) be increased by $19.0 million to $41.9 million; this would provide a 20 percent increase over the FY 1986 budget levels. The Society asks that your Subcommittee consider reprogramming funds from the $400 million recently established in the Clean Coal Technology program to support these budget items. Also, the remainder of the Fossil Energy budget should be restored to the FY 1986 appropriated level to insure that research results can be tested on a realistic scale. (The accompanying Appendices I and II give a budgetary history.)

Times of economic stress are times of difficult priority choices; a time for retreat in some areas, and a time for increased investment in areas that will guarantee future progress. Japan has already identified and intends to provide additional support to these same energy-related research areas.(3) A number of U.S. scientific programs that involve much larger expenditures are under consideration. They show that the increases recommended by ACS would be modest investments, but ones directly relevant to the DOE mission.

In addition, for the most efficient use of our research investment, the ACS supports a competitive, merit-based peer-review process as the primary mechanism for selection of research and instrumentation proposals for large-scale centers and facilities. The Conference Report on HUD-Independent Agencies Appropriations (H.Rpt.99-363) endorsed such a principle. It is hoped that this Subcommittee will issue a similar statement of support.

The ACS appreciates the opportunity to express its views. The Society believes the costs of our recommendations are minimal compared to the many potential benefits to be derived in helping to insure a stable, long-range energy supply in the U.S. and in reducing our vulnerability to the uncertainties of foreign oil supplies.

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2. Coal liquefaction advanced research; surface coal gasification advanced research; and advanced research and development direct utilization, materials, and university coal research.

3. "Recommendation of the Council for Science and Technology on the 11th Inquiry titled, 'Comprehensive Fundamental Policy for Promotion of Science and Technology to Focus Current Changing Situations from the Long-term View,'" The Council for Science and Technology, Japan, November 1984.

## APPENDIX I

### Long-Range Coal Research Programs
[Programs under Advanced Research and Technology Development(a)]
(Dollars in Thousands)

| | Surface Coal Gasification Advanced Research | Coal Liquefaction advanced Research | Direct Utilization | Materials | University Coal Research | TOTAL |
|---|---|---|---|---|---|---|
| 1980 | $14,800 | | $ 7,100 | $ 7,000 | $ 5,000 | $33,900 |
| 1981 | 20,400 | | 9,100 | 7,000 | 5,000 | 41,500 |
| 1982 | 18,624 | | 10,368 | 7,680 | 5,184 | 41,856 |
| 1983 | 7,500 | | 10,600 | 6,940 | 2,750 | 27,790 |
| 1984 | 3,650 | $ 5,350 | 11,250 | 7,000 | 4,000 | 31,250 |
| 1985 | 3,364 | 5,510 | 9,990 | 7,733 | 4,425 | 31,268 |
| 1986(b) | 3,379 | 5,157 | 11,262 | 6,899 | 5,622 | 35,054 |
| 1987(c) | 968 | 2,620 | 9,415 | 5,860 | 4,000 | 22,863 |

a. Until 1986, Coal Liquefaction Advanced Research and Surface Coal Gasification Advanced Research were funded under Advanced Research and Technology Development as the Processes subprogram.

b. Enacted budget, after 4.3% reduction due to Gramm-Rudman-Hollings deficit reduction legislation.

c. Administration's Budget Request.

Source: Budget Justification Books for the Department of Energy.

## APPENDIX II

### Federal Support for Fossil Energy R&D Program
Fiscal Years 1971-87*
(Dollars in Millions)

| ACTUAL | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 36 | 38 | 49 | 88 | 312 | 369 | 557 | 687 | 668 | 727 |

| ACTUAL | | | | | GRAMM-RUDMAN | REQUEST |
|---|---|---|---|---|---|---|
| 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 |
| 650 | 408 | 268 | 278 | 292 | 284 | 150 |

* Includes funds for the Department of the Interior programs, 1971-76, transferred to DOE in 1977.

Sources:
The budget figures for 1971-81 are from the National Science Foundation "Federal R&D Funding for Energy: Fiscal Years 1971-84" (NSF 83-301).
The 1982-87 budget figures are from the Department of Energy. The figures do not include construction, capital equipment, and program direction.
The 1986 and 1987 budget figures do not include funds in the Clean Coal Technology program that was mandated by Congress.

## STATEMENT OF GEORGE ROBERTS, AIR PRODUCTS AND CHEMICALS, INC.

### Introduction

Mr. Chairman and Members of the Subcommittee, I am George Roberts of Air Products and Chemicals, Inc. I appreciate the opportunity to provide testimony at these hearings.

Since 1981, Air Products and the Department of Energy (DOE) have been developing an indirect coal liquefaction process called the Liquid Phase Methanol (LPMEOH*) process, which has the potential to enhance the use of domestic coal by our electric utility industry. This research has been going very well and can be successfully concluded if the Congress and the DOE provide additional funding to permit Air Products to follow the technical plan that was formulated several years ago. On the other hand, if the work cannot be completed for lack of funds, a major opportunity to advance a federally sponsored technology towards commercialization will have been lost.

I urge the Subcommittee to provide financial support for the final phase of the LPMEOH project. Specifically, I request the appropriation of an additional $5.4 million for the DOE's FY 1987 Fossil Energy Research and Development program, with these funds earmarked for operation and support of the DOE Indirect Liquefaction Process Development Unit (PDU) at LaPorte, Texas.

To support this request for funding, I will: 1) briefly summarize the status of the current research program; 2) outline plans for the final phase of research; and 3) outline plans for future demonstration and commercialization of the LPMEOH technology.

### Current Status

In 1975, Chem Systems Inc. began the LPMEOH technology research at the laboratory bench scale with financial support from the Electric Power Research Institute (EPRI). The DOE's participation in this technology began in 1981 when a contract was awarded to Air Products, with Chem Systems as a key subcontractor, to prove the feasibility of the LPMEOH process in the 5-tons-per-day LPMEOH PDU at LaPorte, Texas. Private cost-share funding was provided by EPRI, Fluor Engineers and Constructors, Inc., and Air Products. A second contract to continue LPMEOH research and engineering support studies was initiated in July 1985, again with substantial private cost sharing. Under these contracts, the LPMEOH PDU was successfully commissioned and operated, and five LPMEOH process runs were conducted between March 1984 and July 1985.

As a result of these development efforts during the past 4 years, the LPMEOH technology has been substantially advanced. The major achievements of the program include:

- Operation of the LaPorte PDU for an aggregate of over 2,500 hours under a wide range of operating conditions, with on-stream reliability in excess of 98%.
- Solution of several significant technical problems related to catalyst performance.
- Development of a computer process model that successfully predicts lab-, bench-, and PDU-scale performance.

The foregoing achievements are extremely encouraging for process commercialization. However, the work has also indicated an opportunity for further reactor design improvements, and studies are currently underway to test several new design concepts that could enhance reactor performance.

Last year, we proposed a $10.5 million plan for additional work in the LaPorte PDU and in the laboratory to fully develop the data required to support the design and future operation of an LPMEOH demonstration plant. The Congress appropriated $5.1 million as the first installment for the LPMEOH project in FY 1986. However, as a result of cuts mandated by the Gramm-Rudman Act, this appropriation was reduced to $4.8 million. The Administration has requested a deferral of this FY 1986 appropriation. We anticipate that Congress will deny the deferral request and that a third, 18-month contract will be finalized between DOE and Air Products in July 1986. The objectives of this third phase of the program are to modify the LaPorte PDU to incorporate and test process improvements identified in the second contract, and to further strengthen the LPMEOH database via laboratory research.

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*A trademark of Chem Systems Inc.

## Program for FY 1987

We continue to operate on the basis of the plan proposed last year and now request a final government investment of $5.4 million in FY 1987 to successfully conclude the LPMEOH development work at the LaPorte PDU scale.

The proposed 14-month research program will:

- Obtain critical data on catalyst durability and poison resistance under extended LPMEOH operation at LaPorte (approximately 4-6 months duration),
- Evaluate the long-term performance of the reactor modifications made in the FY 1986 program, and
- Complete laboratory research to assure technical success of the LPMEOH process when integrated with a coal gasifier.

Consistent with our cost-share contributions in the prior LPMEOH contracts, we will supplement this request for $5.4 million of Federal funding by committing $700 thousand of private funds.

## Demonstration and Future Commercial Development

The application of the LPMEOH process in conjunction with Integrated Gasification Combined Cycle (IGCC) power production is generating a good deal of interest in the U.S. electric utility industry as an environmentally safe and acceptable way to use abundant domestic coal reserves for power generation. It is a viable alternative to conventional coal combustion and the associated problems of acid gas and nitrogen oxides emissions. To advance the LPMEOH process towards commercialization in this application, Air Products, Chem Systems, EPRI, and the Tennessee Valley Authority (TVA) are developing plans to demonstrate the technology at a scale of 35 tons per day at TVA's Muscle Shoals, Alabama, coal gasification facility. In the "Once-Through Methanol (OTM) Demonstration," which we propose to conduct under the recently enacted DOE Clean Coal Technology Program, a portion of the synthesis gas from TVA's 200-tons-per-day Texaco coal gasifier will be fed directly to the LPMEOH plant. The syngas will be partially converted to methanol in a single pass through the reactor (hence the term "once-through methanol"). In full-scale commercial application, the unconverted syngas can then be used to fuel a gas turbine for electric power production, and the methanol will be used during periods of peak power demand as a supplementary fuel in the gas turbine.

This demonstration project will draw heavily upon the knowledge base developed in the ongoing LPMEOH program at LaPorte. Successful completion of this demonstration project should set the stage for commercialization of the LPMEOH technology.

## Conclusion

Air Products sincerely appreciates the support that our project has enjoyed from this committee. The Federal Government has played an invaluable role in championing the development of the LPMEOH technology from the laboratory bench scale to the 5-tons-per-day PDU scale. By the end of FY 1986, $25 million will have been invested in the LPMEOH program: $21.5 million by the DOE and $3.5 million by the private sponsors. Air Products has also invested additional funds in proprietary R&D in support of this technology. The final investment of an additional $5.4 million by DOE and $700 thousand by the sponsors will ensure that the project is successfully completed and position the technology for the next step toward commercialization. We now hope that this project will receive continued support in its concluding phase.

# DEPARTMENT OF ENERGY

## ENERGY CONSERVATION

## STATEMENT OF THE AMERICAN GAS ASSOCIATION

The American Gas Association (A.G.A.) is please to submit this statement in support of natural gas-related research and development (R&D) conducted or sponsored by the Department of Energy (DOE). A.G.A. is a national trade association consisting of nearly 300 natural gas distribution and transmission companies that serve more than 166 million consumers in all 50 states. The regulated gas industry recommends an appropriation of $156 million for all DOE natural gas-related R&D in FY 1987. From this total, A.G.A. recommends an appropriation of $97 million for projects under the jurisdiction of this Subcommittee.

### DOE FUNDING FOR GAS AND GEOSCIENCES RESEARCH

Natural gas is a vital source of energy for all sectors of the United States economy. For example, in 1985, estimates indicate that gas accounted for 24 percent of the primary energy consumed in the United States. Indeed, over the past 25 years, natural gas has accounted for between 24 and 33 percent of all of the primary energy consumed in the United States. Natural gas will continue to be a critical energy source in the future because of its tremendous gas resource base and its clean-burning attributes.

Although natural gas is a primary source of energy for the United States economy, the DOE invests relatively few of its research dollars to ensure that gas continues to be a primary source of energy in the future. Research in the fields of geology, geophysics and geochemistry is necessary to increase our basic understanding of the formation and recovery of unconventional gas resources. Increased understanding of unconventional gas resources is required to achieve the technological advances that will expand vastly the recoverable gas resource base. Indeed, the gas industry believes that such advances can be achieved more quickly and for substantially less money than the DOE nuclear fusion program.

In addition, advances in efficient end use utilization of natural gas have already increased the efficiency of gas appliances and processes. Further technological advances in gas utilization will enable a single piece of equipment to provide multiple energy services with significant cost savings and efficiency gains. Further research on electrochemical processes and thermodynamics can improve the manner in which gas is transformed into usable energy.

### SPECIFIC FUNDING RECOMMENDATIONS

UNCONVENTIONAL NATURAL GAS: $14 Million. Large amounts of gas have been identified in tight geological formations such as Devonian shales and tight sands. Devonian shales and tight sands are estimated to contain more than 1,800 Tcf and 900 Tcf of gas, respectively. Tight formations gas is produced using unconventional recovery techniques. A.G.A. estimates that favorable economic conditions and substantial investment in tight formations R&D programs could result in "incremental" production of up to 4.0 Tcf of gas annually by the year 2000, while a lesser technology program would result in an annual production rate of 1.0 Tcf by that year.

To increase production from unconventional gas resources, more research must be conducted to develop advanced stimulation techniques to fracture tight rock formations that restrict gas flow. Current fracturing techniques induce only shallow fractures of a few hundred feet. Field testing must be conducted to refine techniques for inducing deep fractures of several thousand feet. Such techniques include foam, cryogenic, hydraulic, chemical explosive, and high energy gas fracturing. In addition, research information must be collected from field testing to establish a technological database for stimulation modeling, economic modeling and other analytical purposes.

SURFACE COAL GASIFICATION: $22 Million. Surface coal gasification is an important technology that can augment future natural gas supplies. Contemporary technologies allow significant production of gas from coal; however, substantial research into the gasification process is necessary for synthesized gas from coal to play a role in meeting this nation's future energy needs. Gasification techniques must be developed to accommodate high-sulfur Eastern coals and combustion-inhibiting coal "fines." Research must be conducted to develop techniques for gasifying these "fines" and liquid byproducts, and for consolidating "fines" and tars for utilization. Scientific and engineering feasibility studies of advanced generation gasification processes must also be conducted to develop a technological database for such processes. In addition, research must be conducted to identify the proper treatment and disposal techniques for gasification waste byproducts.

FUEL CELLS: $18 Million. Gas-fired fuel cells, in a highly efficient electrochemical process, convert the energy content of gas directly into electricity and byproduct heat. This process is much more advantageous than current electricity generation technologies, which rely upon the less efficient combustion process to generate electricity. The electrical conversion efficiency of gas-fired fuel cells is approximately one-third greater than the conversion efficiency of traditional electricity generation. Combining fuel cells with cogeneration equipment could achieve combined electrical and thermal conversion efficiency of 80 percent, compared to a conversion efficiency of 36-40 percent by the typical electric utility. Fuel cells are also environmentally benign.

More funding for phosphoric acid fuel cells is necessary for technology verification. Improved techniques for controlling phosphoric acid electrolyte and increasing the efficiency of DC to AC power inverters must be achieved. Research must also be conducted to develop second-generation molten carbonate fuel cells capable of processing gases containing sulfur and chlorine, as well as to develop other advanced, direct conversion concepts.

CONSERVATION: $27 Million. Major funding areas include gas heat pumps and industrial cogeneration.

(1) Gas Heat Pumps ($10 million) -- The operating principle behind heat pumps is the same as that of a common refrigerator, freezer or air conditioner: heat is removed from one source and pumped to its destination. By extracting heat from the outside air and transferring it to the indoor space, heat pumps can actually supply more thermal energy than is contained in the fuel that they use. The heat pump's cooling effect is accomplished by reversing this process. Gas heat pumps would provide heating and cooling in a single unit using less energy than a conventional or high efficiency furnace uses for heating alone.

More research is necessary to develop highly-efficient, reliable and cost-effective gas heat pumps for residential and commercial applications. Such research must include the evaluation of promising technical approaches, fundamental research in basic heat pump processes, phenomena and materials, and research on generic component development. These activities must be integrated into overall heat pump system development and analysis.

(2) Industrial Cogeneration ($5 Million) -- Gas-fired cogeneration can supply both electrical and thermal energy service in a highly efficient manner. The environmental benefits of gas-fired cogeneration are also significant, since the efficient use of clean-burning gas decreases total emissions. A coordinated federal/industry cogeneration research program focusing on cogeneration of electricity or shaft horsepower and useful heat could produce overall efficiencies of 70 to 80 percent.

The DOE's research should focus on developing advanced materials and advanced heat transfer, thermodynamic and microprocessor concepts. These components and concepts then must be integrated into prototype units to allow industry to evaluate the effectiveness, efficiency, reliability, and flexibility of cogeneration systems.

UNDERGROUND COAL GASIFICATION: $5 Million. Underground coal gasification is the process whereby coal is burned underground, in formation, generating a low-Btu or medium-Btu gas. The coal is gasified by drilling boreholes into the coal seam, igniting the coal and injecting air or steam and oxygen into the reaction zone. The hot gas is forced through the seam to an exit borehole where it is carried to the surface and processed to remove impurities. The gas can then be used directly as an energy source or can be upgraded to pipeline quality through catalytic methanation. Moreover, underground coal gasification offers potential environmental, economic and safety advantages over conventional mining.

Extensive field testing is necessary to understand the technological basis for linking the vertical wells through the coal seam and controlling the movement of the reaction zone. Extensive environmental monitoring is also required to analyze and control the potential contamination of surface water and local aquifers (geological formations containing water), and to control surface subsidence.

ADVANCED RESEARCH & TECHNOLOGY DEVELOPMENT: $6 Million. Current research needs include improving the understanding of the interactions of coal gasification processes in a fluidized-bed environment; improving the understanding of the interaction of gasification catalysts with carbon/steam and carbon/hydrogen reactions; developing advanced processes for low-cost synthesized gas; developing lower-cost acid-gas cleanup processes; and continuing efforts to assess advanced cleanup technology for alkali metals, particulates and tars.

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## STATEMENT OF DR. DONALD E. MILSTEN, DIRECTOR, MARYLAND ENERGY OFFICE

This testimony is submitted to call the Subcommittee's attention to the need for funds to support State energy efficiency efforts -- the State Energy Conservation Program, the Energy Extension Service, and the Weatherization and Institutional Conservation Programs. The Department of Energy has once again recommended eliminating these programs; this testimony asks that the Senate continue its support for the State's efforts to further energy efficiency through conservation.

It is interesting to learn that the Secretary of Energy and others have recently commented about the nation's energy security in light of falling oil prices. The State energy offices have remained alert to the country's energy security needs and continue to be the primary agents for dealing with the impact of energy problems at the local level. They do this through energy emergency preparedness and through energy conservation and retrofit programs.

The first line of national defense against excessive dependence on foreign energy supplies should be energy conservation. Conservation is the least costly and quickest source of "new" energy. We would like to think that this is self-apparent, but experience in the marketplace indicates that it is not. A recent survey by the Maryland Energy Office of over 150 small commercial and industrial establishments turned up numerous cases of poor energy management, defeated conservation measures and energy wasting behavior. In another vital area, low-income housing, the Maryland State Weatherization Program calculates that there are still over 184,000 low-income homes to be serviced. Low-cost, no-cost energy techniques are being used to fill this gap as well as to educate renters and moderate income citizens about wise energy use. Improvements in home energy use through Weatherization, State Energy Conservation Program and Energy Extension Service efforts enhance personal financial stability through lower energy costs. This, in turn, reduces welfare dependency, defaults on home mortgages and other loans, and provides more disposable income for the necessities of life. This applies, of course, to all economic levels.

Nationally, supported energy conservation programs provide leadership and technical guidance enabling all of us to use energy more efficiently. This is not just a "motherhood and apple pie" issue anymore. It is a question of economic as well as national security. Unfortunately, the private sector has not (or perhaps cannot or does not know how to) provide leadership in this area. It is up to the Federal government together with States to carry out energy efficiency measures which add up to increased energy security. The Department of Energy has acknowledged the efficacy of these efforts. According to the DOE, "Twelve dollars of energy savings results from each federal dollar invested in these programs."

Energy conservation should not be viewed as a competitor with needed national oil production. Rather, it should be seen as a way to reduce our dependency on foreign supply. The Department of Energy projects that net petroleum imports will average nearly 4.6 million barrels per day in 1986, or 7 percent above the 1985 level. That means that our net oil imports will be approximately 37 to 40 percent of our domestic petroleum need. This is an increase from 25 percent in 1983 and is only 5 percent below our highest import level of 46 percent in 1977.

Some of the energy efficiency activities undertaken by States recently include: the "CompuCar" program in Alabama which features handheld microcomputerized engine diagnostic devices for testing the engine efficiency of automobiles. Delaware, Kentucky and Maryland have audits and programs for small business owners; this type of education and service is often beyond the means of small businesses and their scope of operations are usually too small to make large energy company services affordable. In Hawaii, energy officials worked with a local farmer to develop an integrated swine-waste management system which generates from 30 to 40 cubic feet of methane gas per day for running a 40 kw generator. In Iowa, two vehicle fleet maintenance software programs were demonstrated. Energy personnel in Maryland are conducting building audits for one hundred small municipalities and a similar program in Louisiana provided walk-through audits for 50 buildings owned and operated by municipalities in that state. North Carolina has undertaken audits of a large community energy user, the waste water treatment facility.

These are but a sampling of the economy enhancing activities undertaken by State Energy Offices. In addition to these programs, State Weatherization Offices continue to retrofit existing low-income housing stock but, as noted above, this massive conservation effort is far from complete.

What we have learned over the last several years in bringing greater knowledge of energy conservation to citizens is that our nation's energy users often "do not know what they do not know." This is to say that there are a lot of misconceptions and bad advice in the marketplace. The State Energy Offices have brought better understanding to consumers and provide unbiased information which encourages more efficient energy management and, through that, enhances our nation's ability to meet a variety of energy conditions.

Senate support for these programs has helped Americans from all parts of our country utilize energy more efficiently. Once again, this vital support is sought. Given the rapidity and ease with which the nation is once again becoming dependent upon reliable foreign energy supplies, the role of the State Energy Programs continues to be an important line of defense against energy waste and a real bargain in improved energy efficiency for all of us.

## STATEMENT OF DR. F. WILLIAM KIRSCH, DIRECTOR, ENERGY ANALYSIS AND DIAGNOSTIC CENTER PROGRAM

Hundreds of thousands of small and medium-sized manufacturers are in business throughout the United states, located wherever they have found the right combinations of people and other resources to start up or continue an enterprise. They are often the major employers in the smaller communities where they have located, but they are found in cities and suburbs, too. Wherever the interstate highways and railroads have provided access to raw materials and to markets, manufacturers are present, providing strength and diversity to the economy of their states and the nation itself.

Small and medium-sized manufacturing plants are not merely scaled down versions of larger ones, and they do not necessarily apply technology and consume energy in the same patterns. The usefulness of much energy efficiency information is therefore limited to large plants, and that creates problems for small and medium-sized manufacturers who try to adapt pre-fabricated solutions from large plants at a reasonable cost and with assurance they will work. Therein lies the common dilemma of this kind of manufacturer: acquiring useful expert assistance is costly, and trying to cope without it is also costly. The result is a gap between competitive needs and cost-effective ways to meet them. To bridge that gap, manufacturers need an analysis of their operations and energy use that is thorough but has no further agenda. The federal government has been providing that kind of impartial analysis to those manufacturers through the Energy Analysis and Diagnostic Center program.

As the director of the EADC program I know something about manufacturers' needs and what this help has meant to them. Within the past year I have been in 194 of their plants, most often to find out how effective EADCs' services have been. At each plant I also asked whether the EADC program represents a good expenditure of taxpayers' money and 98% of them said it was.

To understand what that verdict means, it is important to know a little about how the EADC program works. Under agreement with the Department of Energy, University City Science Center manages the whole effort. Our subcontractors have been 12 universities; their engineering faculty and students have performed analyses in about 1460 manufacturing plants to date. While doing so they have proposed about 7500 specific energy conservation opportunities with a total value of about $49 million per year, at least two-thirds of which have been in manufacturing operations. Manufacturers have consistently implemented 55-75% of the energy conservation identified and cost savings recommended. We know that fact because each EADC must measure implementation of what it recommends. By verifying that information and analyzing the data, we also know that the latest results from 300 manufacturers show they will -- within five years -- earn as much as $3.80 for every dollar they have invested in energy cost saving.

The benefits do not stop there. When we count the manufacturers' cost savings as incremental earnings that are taxable, the federal government also receives a good return on its EADC program support. For every federal dollar invested in the EADC program, the government receives as much as $3.60 in tax revenues on manufacturers' earnings.

The EADC program has generated a variety of other benefits, even though it has not directly supported them. Here I refer to the students' first-hand plant experience that has helped them to find jobs, to the economic stimulus provided by manufacturers' purchases of energy-efficiency equipment and services from private-sector sources, and to new and revised curricula and research that enhance the education of future engineers.

My purpose in coming here today is to ask that this EADC program be continued at a fair share of its FY86 level. I recognize the need for federal budgetary restraint, but I also point out that EADCs have been indirectly generating tax revenues by helping manufacturers to reduce costs, to increase earnings, and to stay in business. By measuring implementation we have direct evidence of these benefits.

Manufacturing is a vital part of the national economy, and an overwhelming percentage of the plants are small or medium-sized. They sell products to large plants as well as to their peers (in size) and to the public. The 1980s have not generally been as good for them as many had hoped, and today they are confronted by persistent problems -- lack of export sales, competition from imports, and a need to modernize while remaining profitable. Uncertainty is their constant companion and chief enemy, and I like to think EADCs are lessening that uncertainty, or at least preparing manufacturers to cope with it better.

The manufacturers assisted by an EADC are among the strongest supporters of the program, and they add up to more than 90% of those that have been served by one. But I don't want to bask in the sunshine of their praise. My goal is to serve more small and medium-sized manufacturers -- to help them remain profitable by being more efficient, to help them stay in business by becoming more competitive.

The federal government's support is essential to fulfillment of that goal, and the government can do that while continuing to get an excellent return on its investment. I ask you to give the EADC program its fair share of the federal investment in the nation's future.

## STATEMENT OF PEGGY WHEELER KAINZ, PUBLIC AFFAIRS DIRECTOR, NATIONAL CENTER FOR APPROPRIATE TECHNOLOGY

**Mr. Chairman, Members of the Committee, thank you for this opportunity to testify. My name is Peggy Wheeler Kainz. I am the Public Affairs Director of the National Center for Appropriate Technology (NCAT). I am here to recommend a Fiscal Year 1987 DOE appropriation level of $1.4 million for NATAS, the National Appropriation Technology Assistance Service. This is a reduction of $100,000 from our usual operating budget of $1.5 million due to some streamlining management of the program.**

**I also recommend an appropriation of $300,000 to provide commercialization assistance to weatherization programs interested in moving their services into the private sector, and $100,000 to conduct video-conference training**

via satellite for large audiences of trainers in two weatherization problems. NATAS is capable of managing both of these new services.

NCAT is a non-profit corporation created by Congress in 1976 to transfer appropriate technologies to the American public. Our principal methods in technology transfer are technical monitoring and evaluation, technical assistance, and, information dissemination which includes publications and training. We manage federal, state, and private sector contracts in this regard. NCAT manages the Department of Energy's National Appropriate Technology Assistance Service (NATAS).

NATAS provides tailored technical information and technical assistance on renewable energy and energy conservation technologies to anyone who contacts the service through the toll-free phone number or by mail. NATAS' two principal objectives are: to help people investigate or implement conservation and renewable energy technologies, and to help innovators solve problems they have commercializing energy saving products and services.

NATAS is organized around five tasks:

1. To disseminate current appropriate technology information;
2. To provide engineering and scientific technical assistance;
3. To provide commercialization assistance;
4. To coordinate NATAS with other state and Federal activities;
5. To prepare publications for transferring technical information to the public.

A recent evaluation by Northwestern University (1986) has found that NATAS is well managed, highly regarded by the users, and very cost effective; for each federal dollar spent in providing the service, the user received approximately $5.93 in direct benefits. (See Attachment 1) This same evaluation also found that the State Energy Offices refer more technical engineering and commercialization questions to NATAS than to any other local, federal, private or government source. The very heavy reliance on NATAS by all the State Energy Offices demonstrates that NATAS is a highly regarded source of assistance by energy experts and administrators throughout the country.

The evaluation also verifies that NATAS business development services are not easily available in the private sector since the typical NATAS user is in the pre-commercialization stage. For the most part, the callers haven't yet conceptualized the right questions to ask about business start-up. NATAS helps such clients to reach the stage where they can then seek help in the private sector.

The toll-free line opened on May 1, 1984. Since that time (as of 1/31/86) NATAS has handled 13,388 requests (excluding more than 5000 additional requests for publications alone). The users of NATAS are comprised of about 65% individuals, 8% commercial/industrial, and 10% local, state, and federal government clients. Of these, 5253 users (39%) requested general information assistance, 7207 (54%) required engineering/scientific technical assistance, and 928 (7%) requested commercialization assistance. (See Attachment 2).

As the real purpose of NATAS becomes known, requests for general information are declining while requests for engineering and commercialization assistance are increasing. Thus far in FY 86, NATAS is averaging 195 requests per month for engineering assistance, an increase of 18% over the monthly average in 1985. An even larger increase is noted in the commercialization task: a monthly average of 54 requests represents an increase of 35.4% over the monthly average in 1985.

Projection for FY86 shows a marked increase in requests for NATAS. Compared to the 7,800 requests of FY85, the Northwestern study projected 9,200 requests for FY86 -- an 18% increase. Our own more conservative estimate of 8,800 requests for FY 86 represents a 13% increase. (See Attachment 3)

The most common topics of inquiry are solar thermal energy, energy efficient new building technologies and weatherization technologies. But NATAS requests also cover a broad range of technical questions, including indoor air quality, cogeneration, hydropower, biomass, wind, resource recovery, photovoltaics and industrial energy systems. (See Attachment 4)

The most common services provided in the engineering assistance task are resource/technology assessment and products/materials analysis. Assistance in securing financing and business planning are the most frequent services requested in business development (See Attachment 5).

Examples of technical engineering assistance NATAS has provided are:

o Advice on the design and construction of a wood stove thermosyphon domestic hot water system.

o Design assistance on sunspace glazing, framing, storage, foundation and moveable insulation.

o Mathematical calculations for power output of a wind electric generator.

Examples of commercialization assistance provided are:

o Analysis and market research for an energy efficient process and machinery for applying asphalt for road repairs.

o Analysis of working capital financing options for small windmill manufacturing company.

o Start up guidance for residential weatherization business.

NATAS has prepared two publications in 1986. The first, Combustion Appliances in Energy-Efficient Houses, responds to a major concern of NATAS users. The second, Heating Systems: How to Decide Whether to Improve or Replace Them, is a consumer decision guide which addresses a frequent NATAS question.

A State-by-State summary (May 1, 1984 to January 31, 1986) of the number of users is included for the Committee's information. (Attachment 6)

Promotion of NATAS is carefully controlled so that requests do not exceed budget and staff capabilities. Any mention of the program in a publication or on television/radio results in increased numbers of callers. Most recently (January and February, 1986), the loss of the tax credits and discussion of the 1987 DOE budget have brought a significant increase (or more than 54%) in the number of callers requesting business development assistance. NCAT sees the numbers of NATAS users increasing almost without additional promotion.

NATAS requires $1.4 million for annual operating expenses in 1987. This is $100,000 less than the budget required in 1986. The same high level of quality service can be provided for fewer dollars because of economies of improved management systems. Operations include management of a staff of 27, the computerized data base, individual written responses to each technical assistance request, the preparation of publications and standardized information products, and monthly reports to each State Energy Office as well as DOE offices.

In order to maintain the high quality of responses provided currently by NATAS, a $1.4 million budget must be maintained in FY 1987. DOE requested $0.75 million for NATAS, but NCAT submits that this budget is primarily a reflection of DOE's cost cutting in general and that DOE does not wish to reduce the quality of NATAS service.

In addition to the $1.4 million base budget for NATAS, other needs have been identified through the program.

NATAS frequently assists managers and staffs of weatherization programs who hope to begin providing their services in the private sector. Based on calls in January 1986 alone, at least a 50% increase in requests for business development assistance by weatherization program personnel is projected. NATAS has provided several workshops on business and financial planning to weatherization personnel and has received requests for more workshops. In addition, NATAS has been asked to produce a "how to" workbook designed specifically for weatherization programs on the issues related to a transition to the private sector. Unless additional funds are provided to NATAS for these services, services to other users will be curtailed. NCAT recommends that $300,000 be added to the NATAS budget for these activities.

In addition to the annual operating costs of NATAS ($1.4 million) and the costs of expanding commercialization assistance to weatherization programs ($300,000), two major problems related to energy conservation and to national health have been identified as needing attention: moisture problems and indoor air quality problems. NCAT has conducted workshops in these areas and is willing to contribute its expertise and materials to NATAS to utilize in two video-conference training programs. Through satellite and video-teleconferencing, it is possible to conduct training workshops in many sites simultaneously. Given the savings through NCAT's contributions, it is possible to conduct two workshops (one on each topic) for trainers in DOE and State Energy Offices and Community Action Agencies, architects, builders, and other interested parties for $180,000.

These budget requests total $1.88 million. I believe that the budget for each activity is very cost-effective and would maintain the quality of NATAS technical assistance.

Thank you for your time and interest.

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## STATEMENT OF GERALD H. MADER, PRESIDENT, ELECTRIC VEHICLE DEVELOPMENT CORP.

Mister Chairman and Members of the Committee: My name is Gerald H. Mader, president of the Electric Vehicle Development Corporation (EVDC) and on behalf of the EVDC, I would like to thank you for the opportunity to submit my testimony to this committee.

The Electric Vehicle Development Corporation (EVDC) is a non-profit electric utility industry sponsored organization whose current membership represents 40% of U.S. electric generating capacity. EVDC has established a near-term objective of electric vehicle (EV) introduction into commercial fleets in the late 1980's and a longer term objective of personal vehicle introduction in the early 1990's. Our mission of EV commercialization is based on a well developed national strategic plan which emphasizes the development of the EV technology, the infrastructure and the market. Success of this mission can best be achieved through close cooperation with the Department of Energy (DOE), the Electric Power Research Institute (EPRI), the electric utility industry, and the vehicle and component manufacturers.

Throughout 1984 and 1985 EVDC has worked closely with DOE staff and the DOE Site Operators User Task force (UTF) to develop project plans and activities which are consistent with our utility industry's national strategy. This cooperative approach is vital to a taining our EV introduction objectives. The DOE FY 1987 Budget Request will have a devastating impact on the national strategy and will greatly affect our ability to successfully introduce EV technology.

Overall, a $4.44 million reduction in the 1987 budget will drastically affect the inertia established over the past several years to commercialize EVs. The DOE EHV FY 1987 Congressional Budget Request of $4.14 million will hamper the utility industry's EV introduction objective in the following ways:

- The Budget states that the "site operation testing, field evaluation, and data collection and analysis of available battery and drivetrain technology will be concluded...in FY 1987." Several electric utility companies including, Detroit Edison Company (DECO), Arizona Public Service (APS) and Philadelphia Electric Company (PE) play vital roles in the UTF. The UTF has been instrumental in providing valuable input into the development of practical EVs. UTF members such as DECO actively engage in establishing approaches necessary to introduce and support EV technology. Eliminating this vital role would jeopardize our industry's ability to commercialize EV technology.

- The Budget makes no mention of improved van development. The elimination of this project will greatly limit our chances of introducing an improved technology for test, evaluation and commercial introduction purposes. In 1985 DOE and EPRI executed a participation agreement to develop and test and improve one ton and 1/2 ton dc electric vans on a 50/50 cost shared basis. This project is reaching a successful conclusion of Phase I, Engineering Design. Additional funds are required to continue this effort to produce prototype vehicles.

- Nickel-iron battery development has been eliminated from the FY 1987 budget. The nickel-iron battery shows the most promise as the next generation for commercial fleet use. This battery is being tested at the utility industry Electric Vehicle Test Facility at Tennessee Valley Authority (TVA) and it has demonstrated performance, durability and life. However, the current nickel-iron battery design is cost prohibitive and requires additional development to reduce the materials and manufacturing cost. The premature termination of nickel-iron development will significantly limit the possibility of commercializing this battery system.

- DOE, EPRI, Argonne National Laboratory and TVA have agreed to a cost shared approach for the development of a lithium-iron sulfide battery system. This battery has significant potential for increasing the range (more than double the lead acid battery performance) and acceleration of electric vehicles. Although the utility industry is funding the largest portion of this development, continued funding from DOE would increase the potential for successfully delivering a prototype within this decade.

In summary, the drastic cut in the FY 1987 DOE EHV budget will cause a severe negative impact on the momentum established for introducing electric vehicles into the commercial sector. The U.S. utility industry has recently increased its involvement in electric vehicle development through the establishment of EVDC and the cooperative national approach to EV technology development. Each of the above project activities, the User Task Force, improved dc van development, nickel-iron battery development and lithium-iron sulfide battery development incorporate this cooperative approach through major cost share by private industry. These projects receive significant funding, at least 50%, from the utility industry except for nickel-iron battery development. Eliminating these projects in the FY 1987 will severly impact the relationship established between DOE and the utility industry and our ability to ultimately commercialize EV technology. The inability of the federal government to follow through with its commitments for R&D for EVs, at this late date, will be a tremendous waste of the tax payer dollars which have already gone into the investment of this technology.

EVDC is seeking to preserve the concept of a national effort for EV development and the cooperative approach between the utility industry and the DOE. Continued funding of the above projects will keep this "partnership" in tact.

Thank you for the opportunity to present this testimony.

## STATEMENT OF THE PETROLEUM MARKETERS ASSOCIATION OF AMERICA

PMAA very much appreciates the opportunity to describe its concern over the proposed lack of funding for oil heat R&D within the Buildings and Community Systems Division of the Department of Energy's budget request for Fiscal Year 1987.

PMAA is a national federation of 41 state and regional trade associations representing 11,000 independent marketers of petroleum products, equipment and service. While almost all of these marketers are small businessmen, collectively they sell over three quarters of the home heating oil and half of the gasoline consumed in America today.

PMAA believes that federal research has been very beneficial to consumers of oil heat. For example, the oil heat program that was started in 1978 at Brookhaven National Laboratory is one of the most successful stories in federal research history. With an R&D investment of only $5 million, Brookhaven demonstrated the success of the flame retention burner that has become the industry standard for new oil heating equipment.

New flame retention equipment and retrofit devices for existing oil burning equipment are estimated to save consumers $1.5 billion through reduced oil usage by the end of the next decade. This amounts to one of the best cost/benefit ratios ever funded by DOE.

### Proposed Oil Heat R&D

PMAA feels that there are several research projects that should be undertaken by DOE in FY87 that are equally as promising in terms of costs and benefits to 15 million oil heat taxpayers as the example just cited. These projects have been identified in a study being funded by DOE through Batelle Pacific Northwest Laboratories.

Detailed descriptions and proposed funding levels for these projects will be made available to subcommittee staff and interested parties. Briefly, a total funding level of $1.9 million is required for the following activities:

1. Equipment Efficiency Advances ($1,050,000):

   - Fuel Quality Variation and Combustion Efficiency
   - Advanced Heat Exchangers

- Oil Burner Diagnostics
- Improved Venting Systems (Direct Vent)

2. Advanced Concepts in Combustion and Control ($650,000):

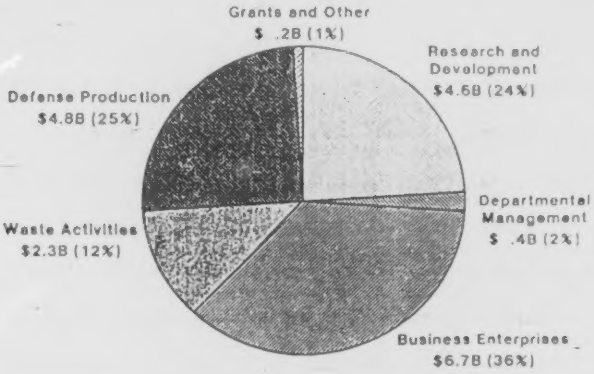
- Advanced controls for oil heating systems
- Improved oil burning technologies
- Advanced combustion systems research, including pulsed oil heating equipment
- Systems Integration

3. Technology Transfer ($200,000):

- Technical training aids
- Conferences/Symposia/Workshops
- Accelerate use of conservation options by establishing a consumer-oriented informational program

Oil Heat Slice of the Budget Pie

PMAA is aware of the Gramm-Rudman limitations on the budget, and supports efforts to reduce the deficit by reductions in federal spending. However, the pie chart on page 3 of DOE's Budget Highlights reveals Total Budget Resources of $19 billion for DOE in FY87.



Total Budget Resources $19.0 Billion

The pie chart shows that the $.2 billion budget category of "Grants and Other" is barely visible as a 1% slice of the total budget pie, and that is over 100 times larger than PMAA's $1.9 million request for oil heat. This raises the question why taxpayer dollars are supporting DOE's multi-billion projects to produce electricity and natural gas from nuclear energy and coal, without any effort toward helping taxpayers as a user of oil heat.

Federal Role is Needed

The federal R&D for other fuels augments the work of the Gas Research Institute and the Electric Power Research Institute, which are funded by hundreds of millions of dollars in surcharges on electric and natural gas rates that are approved by federal and state authorities.

By contrast, local oil heat marketers have no exclusive sales territories and no government approval or means to impose R&D surcharges. Major oil companies, which produce and refine oil products, do not accept responsibility for any R&D activities on behalf of equipment manufacturers or any end users, including space conditioning, automobiles or airplanes.

Most manufacturers of oil heat equipment also make gas and/or electric appliances. With a relatively smaller sales potential in oil, it is understandable that equipment manufacturers commit their limited resources to the gas and electric equipment that is the focus of the government and utility research efforts.

Considering the Administration's policy calling for a balanced and mixed energy picture, Congressional support for this request would encourage an effort by DOE to develop a coordinated equipment R&D program for oil heat.

### Budget Limitations

PMAA recognizes the budget limitations which are prevalent throughout the government, and we support efforts to reduce the deficit by reductions in federal spending. However, if DOE is going to continue any R&D programs at all, then it is only fair to the 18% of American taxpayers who heat with oil that oil heat get its tiny slice of the R&D budget pie. PMAA strongly urges the support of this Subcommittee for a necessary portion of DOE's total budget to continue an oil heat program with such an excellent and beneficial track record.

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## STATEMENT OF STEPHEN WIEL, PUBLIC SERVICE COMMISSIONER OF NEVADA

Your congressional record is full of data and forecasts telling you how many Seabrook nuclear reactors could be avoided by relatively small investments in electrical energy conservation and load management. People such as Amory Lovins of the Rocky Mountain Institute, Art Rosenfeld of Lawrence Berkeley Laboratories and Clark Gellings of the Electric Power Research Institute (EPRI) have eloquently stated the tremendous opportunities offered by the potential for energy conservation in this country. I will avoid the temptation to expound further in this direction although Nevada's share of the potential is great. That is not the point I wish to make.

It is far more urgent that we discuss the process by which any of this conservation potential is translated into reality. The future price of electricity in Nevada and throughout the United States is at stake.

Have you wondered why, if this potential savings from energy conservation is as wonderful as some people say, electric utility executives aren't already exploiting it? There are many political, institutional and psychological reasons for this, which I have discussed in the attached paper that I presented at the 97th annual convention of the National Association of Regulatory Commissioners (NARUC) last November. The answers all boil down, however, to the simple explanation that most utility executives do not view investments in energy conservation as having known and measurable results.

A utility most often has no experience verifying the technical performance and public acceptance of energy conservation measures in its unique service area. The utility feels it cannot directly control the operation of conservation devices installed on the customers premises. If it invests in conservation, it must do things differently than it now does them and, to top it off, the impact on profits is uncertain. It is no wonder that utility executives are treading gingerly.

Let me tell you what is happening today here in Nevada. We have two large electric utility companies: Nevada Power Company serves Las Vegas and the southernmost portion of Nevada and Sierra Pacific Power Company serves Reno and most of the rest of the State. We are one of the fastest growing states in the nation and each company has one of the nation's fastest growing metropolitan areas in its service territory. We have no excess capacity to forestall future power plants. We are facing the need for new power plants in the near future and we have a Resource Planning Process (least-cost energy planning process) which some people consider to be a model for other states.

Our resource planning requires Nevada Power and Sierra Pacific to push harder than they otherwise would to use conservation and load management to avoid building new power plants.[1] Both Nevada Power and Sierra Pacific have been diligently working since 1983 to develop and demonstrate viable, cost effective energy conservation and load management measures.[2] They use a series of analyses, followed by a test program and a pilot project to develop a measure to the point where it is considered a firm resource ready for implementation. Nevada Power, for example, has recently been ordered by the Nevada Public Service Commission to accelerate two pilot projects -- energy efficient commercial lighting retrofit and use of two-stage evaporative air conditioners in residences -- in order to have something available for implementation in the near future. The results will still not be in-hand before 1987, four years after analyses of these measures began.

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[1] Nevada's Resource Planning Process simply requires the utility to thoroughly explore all options for increasing the supply of electricity or reducing the demand for electricity and to consider all options equally in investment decisions. For the near future, conservation measures appear to offer the least-cost investment opportunity.

[2] Nevada's Resource Planning Statute became effective July 1, 1983. Both Nevada Power and Sierra Pacific had energy conservation programs underway at the time. The discussion here addresses the predominance of new efforts undertaken since July 1983.

Nevada is one of only about a dozen states that require active resource planning for its utilities. While initial results will start to flow by 1987, four years from program inception, I believe it will be 1993, a full decade after inception, before we have achieved substantial accomplishments. If all utilities throughout the country were undertaking such analyses and test programs and pilot projects and if all the utilities and public service commissions and EPRI and NARUC and the U.S. Department of Energy were all sharing the fruits of these efforts, the process would be significantly shortened. Several high cost power plants would be avoided and the price of electricity for most Americans would be many mils lower than it otherwise would be.

The simple fact is that the faster we can react to the changing economic environment and new technology, the better chance we have to keep the price of electricity in the United States from continuing to grow out of control. We need the federal government to help speed up the process of bringing energy conservation and load management technology to the point where it is considered by utility executives to be useful. This is what I had hoped would result from the least cost initiative, which I supported in testimony on behalf of NARUC before the House Subcommittee on Energy Development and Applications a year ago.[3] The initiative was successful. A million dollars was added to the U.S. Department of Energy FY 86 R&D appropriation to support least cost energy development. I was dismayed to discover that the proposed FY 87 U.S. Department of Energy budget excludes any further funding for this program.

The need for least-cost energy planning has not changed despite the recent decline in the price of foreign oil. The U.S. Department of Energy is only now receiving its consultant report recommending program design for least-cost planning in the same week you are scheduling your hearing on energy conservation. The program is just getting started. This is no time to kill it. You supported it last year, and I urge you to reinstate it this year.

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[3] Fiscal Year 1986 Department of Energy Authorization (Conservation and Renewable Energy) - Hearings before the Subcommittee on Energy Development and Applications of the Committee on Science and Technology, U.S. House of Representatives, Ninety-Ninth Congress, First Session, March 5, 7, 1985 (No. 31), Volume III, pp. 161-170 and 205-247.

## STATEMENT OF DR. L.R. LAWRENCE, JR., VICE PRESIDENT FOR TECHNOLOGY DEVELOPMENT, MECHANICAL TECHOLOGY INC.

Mr. Chairman and Members of the Subcommittee. My name is Dr. L. R. Lawrence, Jr., and I am Vice President for Technology Development with Mechanical Technology Incorporated (MTI). MTI is a high technology firm specializing in advanced machinery, industrial productivity improvement, and Stirling engine development. We employ nearly 900 people, and we have plants in Michigan and California, as well as our headquarters and major R&D facilities in New York State. Approximately one-half of our sales come from products which we manufacture, the other half coming from R&D and engineering services.

We are here today to present the successful status of the Automotive Stirling Engine program and to request $8 million for FY87 to complete the present contract and $4 million for a technology-base effort. We are also supporting the broad-based Gas Heat Pump program. There is a desperate need for a stronger program in gas heat pump development to prevent major foreign incursions into this hundred billion dollar American market.

Mr. Chairman, we are thankful that you have chosen to support the Stirling effort in the past, and we hope that you will see that we have, in fact, carried out the Congressional intent to evolve this technology into a variety of potential products with a great deal of promise of national benefit. In 1978, when the contract first started, Stirling engines were little more than a laboratory curiosity. They were too heavy, unreliable, very expensive, contained rare metals, could not power a vehicle, and the technology base resided in Europe. Since that time, MTI has brought Stirling engines to the point where they are truly being considered as viable options for a whole series of applications - from vehicle propulsion to space power.

We are thankful, as well, to the NASA Lewis Research Center which has staunchly supported this program and has made a great many technical contributions leading to the greatly advanced status of the engines today.

The following chart provides a brief description of the present status of Stirling engines compared to their status in 1978:

| | 1978<br>Stirling P-40 | 1986<br>Stirling Mod II |
|---|---|---|
| Weight/Power (lb/hp) | 14 | 5.5 |
| Cost* ($) | 5000+ | 1200 |
| Acceleration** (0-60 mph) (sec) | 36 | 12 |
| Miles Per Gallon** (Combined City/Highway) | 19 | 41 |
| Rare Metals | Cobalt | None |
| Seal Life (hr) | 100 | 2000+ |

*Based on 300,000 units per year
**3250-lb vehicle

Mr. Chairman, two and one-half years ago, MTI committed to the operational testing of a Mod II engine by January 31, 1986. In late January of this year, we followed through on our commitment by operating a Mod II for the first time in our laboratories. Although there is a substantial amount of testing and component improvement which must be accomplished before this engine will meet all the goals of the program, it is clear that the promise we projected in the past is, indeed, present in this design.

To restate the program's goals briefly, the Mod II and derivative engines are expected to meet the original environmental standards for 1985 ($NO_x < 0.4$, HC $< 0.41$, CO $< 3.4$ gm/mi, and particulates $< 0.2$ gm/mi) and to show a 30% or greater improvement in gas mileage over comparable production engines, interchangeable operation on a variety of liquid fuels, reliability and life expectancy comparable to production engines, initial cost and life cycle cost comparable to production engines, acceleration suitable for safety and consumer considerations, and noise and safety characteristics meeting federal standards.

Perhaps the most important programmatic aspects of the past year are the increased industrial interest and the beginning of serious industrial participation in this program. Deere and Company is now actively involved with us in building the Mod II engines. They are cofunding this effort at a 25% level and have provided such items as a candidate Mod II engine block at their own cost. The Mod II parts being built by Deere are being produced using production-type tooling in engine production facilities. This is clearly the first step in the transitional process from government funding to private sector investment and commercialization, but it will be lost if FY87 funding is not forthcoming.

Two more promising events have been the Army's acceptance of a Stirling-driven generator set for testing at the Fort Belvoir R&D center and the Air Force's initiative to test a Mod I in a flight line van.

Other positive side effects from this program are the many other potential applications of Stirling technology which are now becoming evident. Product developments are now under way for heat pumps, cryogenic refigerators, space power generators, multifuel stationary engines, and high-efficiency, oil-free pumps.

In addition, the program has produced a wealth of scientific and technical information which is publicly available and applies to a broad cross section of technological applications. As part of this program, major advances have been made in materials, controls, combustion, heat transfer, regenerators, ceramics, seals, casting, and computer analysis. This technology base is available to researchers nationwide for applications to numerous fields of endeavor.

We would also advocate a continuing program in Stirling engine technology, involving a number of contracters, to ensure that the United States maintains its leading position in this technology. This would be consistent with the fact that the United States has basic research and development efforts ongoing in many government agencies in both diesel and turbine technology.

It should be mentioned that the promise and success of Stirling development efforts have not been overlooked by the Japanese. During the past year, we have been given information on a number of ongoing efforts within that country aimed at evolving a variety of Stirling-based products. It is our understanding that two major Japanese automotive companies have ongoing efforts to evolve automotive Stirling engines, with plans for commercialization within five years or so. In this environment, the Japanese have admitted that the United States still has the lead in this technology. However, we are now clearly in a difficult race with a considerable amount at stake.

## Gas Heat Pumps

On a separate issue, MTI joins with numerous other contractors and interested parties in imploring you to expand the DOE Gas Heat Pump program to a level that will allow American entities to be successful in this technology which has such wide American application and need. According to DOE, there are now 50 million American homes heated with natural gas, and 15 million additional homes heated with fuel oil or kerosene. A gas heat pump (or oil heat pump), at the right price and operating capability, can reduce home heating bills by as much as 50% or more.

The total possible market for this equipment is the 65 million gas- and oil-fueled homes, multiplied by a projected installed cost of $4000 per home, or:

65 million X $4000 = $260 billion

If only one-half of this market is penetrable, it still leaves a market of $130 billion, and most studies indicate that more than half the market is ultimately penetrable.

This fact has not been lost on the major Japanese companies in the HVAC business. During the past few years, the Department of Commerce has stated that the Japanese have put $49 million of government money into gas heat pump development. Industry has added an estimated 2 to 3 times that amount. The result is that the first Japanese gas heat pumps are now in this country undergoing market test. If the $130 billion market mentioned above is penetrated over a 10-year time period, an average of $13 billion per year, the economic unit involved is nearly the size of that provided by United Technologies Corporation.

The Japanese units are not as high performing nor as reliable as American prototypes now operating in a number of laboratories. It is our estimate that a well-run gas heat pump program, at $20 million per year (cost shared) for the next three years, could provide at least four contractors with enough funds to have at least one of them, and possibly two, be successful in achieving operating equipment ready for field test. The key point is that the American concepts can beat the Japanese equipment in the American marketplace, if they can be successfully developed.

In conclusion, Mr. Chairman, MTI deeply appreciates the support that you and your Subcommittee have given to our past requests. The four years of continuing "Outstanding" ratings given the Stirling engine program by NASA should be some indication of the manner in which we have responded to the Congressional intent. We pledge to continue our outstanding performance with your continuing support.

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## STATEMENT OF THE NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS

### Introduction

This statement is submitted for the record to the Subcommittee on Interior and Related Agencies of the Senate Committee on Appropriations on behalf of the National Association of Regulatory Utility Commissioners, commonly referred to as the NARUC.

The NARUC is a quasi-governmental, nonprofit organization founded in 1889. Within our membership are the governmental agencies of the fifty States and the District of Columbia, Puerto Rico and the Virgin Islands engaged in the regulation of utilities and carriers. Our chief objective is to serve the public interest by seeking to improve the quality and effectiveness of government regulation.

The members of the NARUC greatly appreciate the opportunity to present our views on appropriations for the Department of Energy (DOE) Weatherization Assistance Program. The Weatherization Assistance Program is administered under DOE's Conservation Grants Program. The program is an energy conservation program that provides Federal funds to State and local governments, community action agencies, and nonprofit organizations to be used for the provision of labor and materials required to make the dwellings of low-income persons energy efficient.

### Use of Oil Overcharge Funds

Unfortunately, no funding for this program is included in the DOE's Fiscal Year (FY) 1987 budget. DOE maintains that a congressional appropriation for this important program is unnecessary in view of the judgment in United States v. Exxon Corp., 773 F.2d 1240 (TECA 1985), cert. denied, 54 U.S.L.W. 3499 (U.S. 1-28-86). DOE improperly claims that monies from this judgment are available in an amount sufficient to be used to weatherize low-income homes.

Although this case was originally brought to compensate customers of oil who were overcharged for purchases between 1975 and 1981, the $2.1 billion from the Exxon case will go to the States for distribution under one or more of five designated programs, one of which is the low-income weatherization program. The NARUC strongly believes that these oil overcharge funds should not affect FY 1987 appropriations for this program for several reasons.

First, since oil overcharge funds are intended to remedy past injuries, they must be applied in a way that addresses those past injuries and not simply used to supplant current funds which would be appropriated by Congress to fund ongoing Federal programs. Realizing that it was impossible for the trial court to determine who the specific victims were, the Temporary Emergency Court of Appeals in Exxon used as guidance in formulating a remedy, certain principles adopted by Congress in the Warner Amendment, Pub. L. No. 97-377, Sec. 155, 96 Stat 1830 (1982). The premise of that amendment is that oil overcharge funds must be used to supplement, not supplant, existing Federal and State resources.

Second, the use of oil overcharge funds to replace the weatherization program constitutes an unfair tax on the potential beneficiaries of these funds, the injured past purchasers of oil, in order to fund or maintain existing Federal program levels or to help balance the budget.

Another problem with reducing or eliminating Federal appropriations for the weatherization program because of the availabilty to the States of Exxon oil overcharge funds is that it would not affect States evenly. The States would receive a different percentage of funds under the Exxon distribution formula than they receive under the allocation formula of the weatherization program. For example, New York would receive almost 12% of Low Income Home Energy Assistance Program (LIHEAP) funds (another assistance program for low-income individuals administered by the Department of Health and Human Services) and 10.5 % of weatherization funds, but would only receive about 7.6% of the Exxon money, which may be used for either or both programs. Moreover, under the Exxon remedy, the States have discretion over distribution of the money; they do not have to spend any of it on the Weatherization Assistance Program. If Congress does not fund the program at existing levels, there is no guarantee to low-income households that they will ever benefit from these funds.

## Inadequacy of Funding

Disregarding the origin of the funds, the Weatherization Assistance Program is grossly underfunded and, thus, unable to meet the needs of low-income households. Under current appropriations, fewer than 200,000 units, out of the 15-20 million eligible units will be weatherized.

The Catch-22 problem is that those individuals most in need of weatherization are the ones least able to afford such measures. Low-income and elderly families and individuals living in older, energy-inefficient homes have an economic necessity for reducing their home energy costs; yet, these same people cannot afford the initial expense involved in making their homes more energy efficient because they are burdened with high fuel bills every year due to homes which are energy-inefficient. The cycle continues every year as low-income households continue to spend a larger proportion of their income on energy needs than any other income groups.

## Conclusion

While the NARUC is fully cognizant of the need to reduce the Federal deficit, the weatherization program must be funded at current levels. The program will serve the long-term goals of decreasing the demand for energy by making permanent energy improvements in households and eventually reduce the amount of Federal assistance needed to meet home energy costs. If oil

**overcharge funds are to be used as a funding source for the Weatherization Assistance Program, they should be used to supplement, not supplant Congressional appropriations.**

**We respectfully urge the members of the Subcommittee to appropriate $191 million, freezing funding at FY 1986 levels, to fund the DOE's Weatherization Assistance Program.**

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### STATEMENT OF FRANK M. BEAVER, DIRECTOR OF ENERGY AND ENVIRONMENTAL AFFAIRS, ILLINOIS DEPARTMENT OF ENERGY AND NATURAL RESOURCES

My name is Frank M. Beaver and I am Director of the Energy and Environmental Affairs Division of the Illinois Department of Energy and Natural Resources. The Energy and Environmental Affairs Division serves as the Illinois state energy office and administers the State Energy Conservation Plan, the Energy Extension Service and the Institutional Conservation Program. I appreciate this opportunity to submit testimony regarding the U.S. Department of Energy's proposal to eliminate funding for state and local energy conservation programs in FY 1987.

We in Illinois understand and support the need to reduce the budget deficit. Illinois has acted over the past few years to replace federal funds where they have been reduced and, more recently, has felt the cuts from the Gramm-Rudman-Hollings deficit reduction law. Moreover, we understand the difficult constraints that have been imposed on the Congress this year. However, in the case of the state and local energy conservation programs, I would like to make the case that to follow the administration's directive to completely eliminate funding at this time would run counter to the need to maintain effective energy conservation efforts and would possibly throw into disarray the important job of providing restitution to consumers under the recent Exxon oil overcharge case.

Since 1979, funding for state and local energy programs has been cut by more than fifty percent. In federal fiscal year 1986 alone, these programs took a 24 percent reduction. Elimination of funding for these programs now could spell the death of many state energy offices at a time when these offices are being called on to administer oil overcharge restitution monies due to consumers under the Exxon and other cases.

The Administration argues that responsibility for state energy programs more appropriately resides with the states, and that it is expected that petroleum violation funds will be made available to the states for these programs. On the first point, we agree that states should contribute financially to energy efficiency programs. In Illinois, we have spent more than $2.7 million of Illinois taxpayer monies for energy programs since 1979. In addition, the Department of Energy and Natural Resources is seeking additional state monies from the General Assembly this year. On the second point regarding the use of petroleum restitution funds, the Administration is choosing to ignore that this money does not belong to the states or the Federal Government but is being held in trust for consumers.

In fashioning programs to provide restitution to overcharged customers, states are extremely limited in the ways these funds can be spent. Most importantly, states cannot use these funds to cover administrative costs such as rent and administrative personnel. While it is easy to assert that oil overcharge funds can be used to take the place of regular appropriations; in reality, this is simply not the case. Restrictions on the use of these funds, and the primary concern that they be used for the benefits of overcharged customers, prevent their use in administering state energy conservation programs. In addition, the Court very clearly stated that these funds were to be used to supplement, not supplant, other energy conservation funds.

Let me provide you with an example of our situation in Illinois. Illinois' share of the Exxon case is over $95 million. Under the terms of the court order, these funds may be used for one or more of five specific federal energy programs: the State Energy Conservation Plan, the Energy Extension Service, the Institutional Conservation program, Weatherization, and Low Income Energy Assistance. However, unlike regular appropriations for these programs, none of the Exxon funds may be used to finance the state's administrative costs in carrying out the programs. We have estimated that administrative costs for Exxon alone will be close to $10 million. Illinois received $131.7 million from the federal government to run all five of these programs in FY 1986 (of which $128.1 million was for Low Income Energy Assistance).

If federal funding for the state and local energy conservation programs is completely eliminated, and other funds cannot be made available, the effect on the Department of Energy and Natural Resources, and on energy conservation efforts in Illinois, could be severe. The Department of Energy and Natural Resources stands to lose seventy-three employees; operational support for both its Chicago and Springfield offices, including rent, utilities and equipment. Programs that have been supported with these funds include community-based energy education projects in over 45 regions in the state, an energy information clearinghouse and hotline which has served hundreds of thousands of Illinoisans; long-term energy planning; and investment of over $90 million (half federal, half private) provided through 868 grants to Illinois schools and hospitals for conservation measures.

We in Illinois are proud of the innovative programs that our federal and state funds have supported over the years. We believe that our nation should continue to make routine and regular investments in renewable energy and conservation. As a state, we plan to continue to use state funds to support these endeavors.

However, we believe that the DOE proposal before you is unrealistic. If the states could simply use their Exxon funds to replace the federal funding they are now receiving, we would be less inclined, in these times of federal deficits, to urge that these programs receive level federal funding. We ask that you consider the administrative effort involved in distributing the Exxon monies, and the restrictions on the use of these funds, and the cuts the state and local energy conservation programs have already received in the past few years, before you move to mark-up your bill for FY 1987.

Should the Committee decide to eliminate these funds, we hope that you will include report language that explains that the Committee is taking the action because of the recent Exxon distribution and not because the Committee opposes state and local energy conservation efforts. We also hope such language would indicate that the Committee would look favorably on the program in the future when Exxon dollars are no longer available. We would be more than willing to help fashion such language.

If the eventual elimination of these programs is inevitable, then the most equitable way to accomplish this would be to phase out the program over a period of years to give the states time to replace the federal funds with state appropriations. A zeroing out of the program at this time would only disrupt energy conservation efforts across the nation.

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## STATEMENT OF C.L. HAYDEN, DIRECTOR, ENERGY MANAGEMENT, GTE SERVICE CORP.

In response to a request from Mr. Jeff Cilek I am providing you comments regarding the Department of Energy, DOE, FY 1986 Congressional Budget Request for Electric and Hybrid Vehicle, EHV, R&D. Specifically, I refer to the line item for the Electric Vehicle Site Operators Task Force Test and Evaluation funding. My concerns are the deferral of FY86 monies and the phase out of the Electric Vehicle R&D and Test and Evaluation in FY87. My remarks are made as Chairman of the EV Users Task Force as well as GTE's Electric Vehicle Program Manager.

The site operator User Task Force (UTF) is comprised of organizations which have been active in the DOE Electric and Hybrid Vehicle Program for the past several years. In 1982, the UTF, working in cooperation with DOE staff, established the Product Improvement Test and Evaluation Program. This program is a vital link in the technology development and technology transfer chain since it provides the proving ground for the products which eminate from the component and vehicle systems R&D. UTF not only evaluates and verifies product performance but also provides a real world environment for infrastructure development (i.e. parts supply and maintenance systems).

The UTF has been instrumental in finding and testing many components which have allowed the continued use of most of the original electric vehicles. We are now testing and aiding in the development of advanced technology components which will assist in bringing about a viable electric vehicle. The funding necessary to completing this work has been and continues to be jointly funded by DOE and the private sector. To abolish this funding when we have come so far and are so near to completion of our task seems unthinkable.

Speaking from the user's perspective, we at GTE have utilized Electric Vehicles for over four (4) years. In addition Detroit Edison Company has embarked on testing the commercially available Griffon van in cooperation with General Motors Corporation. These and other site operators programs are being carried out with corporate funding well in excess of governmental funds. All of these programs are proving very beneficial to the overall DOE program.

Through this experience we have gained an insight into the problems of the Electric Vehicle as well as an appreciation for the unique contribution the Electric Vehicle could make. It is clean, non-polluting and silent. With the proper mission assignment, it can perform well. When one considers the pollution problems facing many of our major cities, it is not hard to see a number of ways in which this clean form of transportation could aid in overcoming some of these problems.

Today we stand on the threshold of completing the development of a commercially viable electric vehicle. Most of the problems which have plagued the program have been resolved. We have good dependable short term batteries commercially available. A good midterm battery (nickle iron) could be produced without further development. A long term battery which stores sufficient energy for commercial applications, relatively inexpensive to produce and would have long life is within our grasp. This is the sodium sulphur technology. To halt the remaining R&D needed and not provide for Test and Evaluation of this technology would be to throw away all of the monies spent to date on electric vehicles.

We are concerned that by defering out this vital work a wrong signal will be sent and the electric vehicle will not come to fruition. This vehicle will be needed both from a domestic fuel standpoint and as stated earlier to provide a non-polluting urban vehicle capable of easing our air quality problems in major cities. We need your help to complete this most worthwhile program in cooperation with private industry.

# INDIAN HEALTH SERVICE

## STATEMENT OF THE SHIPROCK HOSPITAL STEERING COMMITTEE

### 1.0 INTRODUCTION OF THE SHIPROCK HOSPITAL STEERING COMMITTEE

My name is Thomas E. Atcitty and I am Chairman of the Shiprock Hospital Steering Committee. I have been asked to present this testimony on behalf of the Committee. Committee is very grateful to present the following testimonial information regarding the need for continued emphasis on modernizing the Shiprock Hospital so that it can achieve parity in services and facilities for our Navajo people.

The Steering Committee was established in November 1984 primarily to effect the planning and modernization of the present Shiprock, New Mexico, Indian Health Service (IHS) Hospital. The committee consists of 40 or so volunteer members of the Shiprock area who are concerned about the present inadequacies of the Shiprock IHS medical facilities. The committee has enlisted the support of 21 chapters (local Navajo governmental subdivisions) and other local organizations.

The Steering Committee is a non profit committee chartered by the State of New Mexico and recognized by the Health and Human Services Committee of the Navajo Tribal Council.

### 2.0 DESCRIPTION OF PROBLEMS

2.1 The Shiprock IHS Hospital has one of the busiest workloads. Of the 47 hospitals in the United States, Shiprock in 1985 ranked in the top five in several IHS workload statistics. FY 1985 figures indicate Shiprock to be #3 in Outpatient Visits, #2 in birth and inpatient days; #5 in adult and pediatric inpatient days and #6 in admissions despite having one of the oldest facilities and having the lowest no. of beds of any of the IHS hospitals which rank in the top ten in Outpatient visits, Admissions, Births, and Hospital Days. Last year, some 100,333 outpatient visits, an increase of 35% over previous years, were recorded. One of twelve of all Indian babies in the IHS system are delivered at Shiprock Hospital. Shiprock also has the largest service unit operations in the Navajo Area IHS system in population and the Service Unit coversan estimated 5,000 square miles in the area.

2.2 The Shiprock Hospital is one of the oldest facilities with too little space for adequate health care. The Shiprock Hospital, constructed in 1959, also is the third oldest facility of the ten busiest IHS hospitals. The current hospital in Shiprock has far too little space to accomodate the largest regional Navajo population estimated at 36,382 Navajo people by the IHS Population Statistics Branch in 1985. The IHS projects the 1993 population to be at 45, 159 Navajo people.

The present 50 bed hospital was originally built as a 75 bed hospital. But due to chronic staff shortages, particularly in the nursing areas, and from trying to conform to accreditation standards, the hospital now has reduced its capacity to 50 beds.

Space is so critical that parts of the hospital's functions, Maternal Child Health Services, Mental Health, Emergency Medical Technicians, Veterans Administration Counselors, are housed in trailers. Primarily because of its inadequate facilities and staffing, the Shiprock Hospital is presently accredited as a 50-bed hospital by the Joint Commi-tec on Accreditation of Hospitals and the Medicare Standards established by the Health Care and Financing Administration. None of these trailer buildings meet current codes and building standards for the provision of medical care.

Present space square footage is a t 59,565 gsf, while other Indian Health Service (1986) indicate a need of 214,373 gross square feet, making the hospital function with one fourth of the needed space.

Patients must sometimes sleep in hallways without necessary privacy, exposed to disease or they must be transferred to other hospitals a great distance away from their families. Likewise, based on the size of the current facility, there is not enough physician and nursing positions to provide adequate acute care medicine much less preventative medicine which is so desperately needed (see figure estimates on attached fact sheet: Staffing Needs). Despite the incredible workload described in 2.1 above, the hospital lacks an authorized Intensive Care Unit.

2.4 The Shiprock Service Unit faces major unmet health care services. The age-adjusted mortality rate for all causes (1981-83) is 671.7 deaths per 100,000 population for the Shiprock Service Unit. This is 1.2 times the US ALL Races rate of 553.8 (1982).

The major causes of death for the Shiprock Service Unit are Accidents (161 @ 29.8% distribution), Diseases of the Heart (76 @ 4.1%), Malignant Neoplasms (45 @ 3%), Pneumonia and Influenza (22 @ 4.1%), Chronic Liver Disease and Cirrhosis (16 @ 3%), Cerebrovascular Diseases (16 @ 3%) and Other (204 @ 37.8%).

Navajos, residing on the Navajo Nation, are susceptible to common diseases such as cancer or atherosclerosis. Navajos are very susceptible to additional diseases like poor nutrition, dysentary, or tuberculosis. Demographers predict a continuing rapidly growing population. The hospital will not be able to handle future projected workloads. Good health is essential to survival. A modernized hospital in Shiprock would have major positive impact on the future of the Navajo.

Patients have to wait at times three to four hours to see a doctor. The doctors are overworked, given the large number of persons coming to the hospital. One doctor estimates that ten minutes per patient is all he can afford, because of the backlog of persons waiting to be seen. Language difficulty consumes an inordinate amount of time. Quality health care only suffers.

2.5 The Navajo Government supports the need for a new hospital at Shiprock. The Navajo Tribal Council's Health and Human Service Committee supports the SHSC and has ranked the Shiprock facility as the first priority for support of modernization and construction funds. In addition, the Navajo Government has contributed $5,000 to support the SHSC's efforts to keep the public informed and interested in the issue of the Shiprock Hospital.

3.0 Fund Raising

The committee's desire to bring the hospital replacement to function is so strong that it has committed itself for 1986 a fundraising goal of $1 million. The response from the southwest corporate and the professional sports communities to our initiative has been very encouraging. The community youth have sponsored car washed, and the grandmothers have sold fried bread at the open air markets in Shiprock, raising approximately $10,000. We hope to have local, regional and national fund raising activities. This will be our hospital and we want to join the federal government as partners to realizing the hospital.

3.1 Shiprock Hospital Steering Committee Request

3.2 That the Congree appropriate $2.8 million for planning and design to the IHS FY 1987 Facilities Construction fund for a modernized 75 bed hospital facility in Shiprock.

## STATEMENT OF NORINE SMITH, EXECUTIVE DIRECTOR, INDIAN HEALTH BOARD OF MINNEAPOLIS, INC.

I am Norine Smith, Executive Director of the Indian Health Board of Minneapolis, Inc. I am an enrolled member of the Red Lake Band of Chippewa's.

The Indian Health Board of Minneapolis, Inc. represents the first urban Indian health program funded in 1972 by Congress to document the health care needs of Indians residing in the urban area. This request to document the health care needs came about from the significant numbers of Indians migrating to urban centers as part of the Federal Governments relocation effort and Indian people seeking employment opportunities which were not available on the reservation.

A depressed reservation economy and a governmental mandate helped to create major Indian populations in urban centers.

The benefits of this migration were few. Indian people traded poverty for deeper poverty and isolation. What the Indian Health Board of Minneapolis found as a result of their research and documentation was that: 1) Indian people suffered from poorer health levels than do white people; 2) Indian people do not use health care services effectively; 3) Indian people live under difficult socio-economic conditions and; 4) There is a poor relationship between health professionals and Indian people.

These findings were documented by utilizing conventional health standards and completing a survey of more than 700 Indian households. Some of the findings then as now continue to provide the documentation that Indian people still have a lower health, education, and economic status than the general population.

| | INDIAN | WHITE | INDIAN | WHITE |
|---|---|---|---|---|
| | 1970-72 | | 1981-83 | |
| Infant Mortality Rate (deaths per thousand live birth) | 25.3 | 19.2 | 18.4 | 8.8 |
| Live Birth Rate (births per 1000 population) | 52.3 | 17.8 | 40.9 | 13.7 |
| Mothers less than 18 years of age - percent | 6.6 | 3.9 | 13.7 | 2.2 |
| Less than High School Education - percent | 56.3 | 18. | 58. | 11.9 |
| Out of Wedlock pregnancy percent | 38.4 | 15.5 | 82.7 | 17.5 |
| No prenatal care/or in the third trimester precent | 30.5 | 9.6 | 20.4 | 4.6 |

SOURCE - STATE OF CITY - MPLS. PLANNING REPORT 1985

Other demographic information as reported in 1980 census reveal the following about the Indian population in Minneapolis.

- Indian people have the largest size families. 3.77 person per family compared to 30.9 for the white population.

- Indian people have the lowest income averages of all minority groups.

- 41.1% Indians in Minneapolis have incomes below federally defined poverty levels. . This compares to 10.6% for white, 2% for Hispanics, 30.2% for Blacks and 39.9 for Asian.

- 78.6% of Indian female head of households are below the federally defined poverty levels compared to 54.7% for whites.

- Indians in Minneapolis have the highest unemployment rate of 23.1% compared to 4.3% for whites.

- Indians in Minneapolis have the highest number of workers in the family. 24.1% compared to 14.8% for white families.

- Indians in Minneapolis have the highest dropout rate of 17.3% compared to 6.1% for whites.

In light of those figures, it seems apparent that the Administration should be focusing upon the intent of the Indian Health Care Improvement which is "to provide the highest possible health care status to Indians and to provide existing Indian health services with all the resources necessary to effect that policy."

As the Administration proposes to eliminate the Urban Indian Health Program, over 300,000 Urban Indian patients are utilizing the health care services provided by 37 Urban Indian Health Programs across the Country. The elimination of 9.4 million dollar appropriation would also illiminate access of health care services to the majority of these 300,000 individuals.

Since the Indian Health Board of Minneapolis began, we have served over 24,000 patients which represent 196,927 visits through December of 1985.

Over the past 13 years, the Indian Health Board saw a reduction in the infant mortality rate from 35.3 infant deaths per thousand to 18.4 infant deaths per thousand. We have also seen an increase in level of trimester care for our patients which also contributes to reducing the infant mortaility rate. Our hospitalization visits have dropped from 2,470 in 1982 to less than 1,500 in 1985. Our health education program visits increased 250% since 1982.

The elimination of this appropriation would significantly reduce our ability to continue to provide outpatient health care services to this medically underserved population in the Minneapolis area.

Currently, those dollars appropriated by Congress represent 36% of our total budget. However, our other funding sources (17) consider Indian Health Service as a base funding. Without this base, these other funding resources would also diminish.

Previous testimony has been submitted to your committee documenting the effectiveness of programs, such as ours, through evaluations provided by Indian Health Service. The existing 330 programs, Community Health center, have also testified with other public health organizations and departments of their inability to absorb and serve the populations we currently serve. These services are medically necessary, therefore, we are requesting your continued support of Urban Indian Health programs at a $10.75 million funding level for Fy. 1987.

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## STATEMENT OF RODGER BOYD, EXECUTIVE ADMINISTRATOR FOR GOVERNMENT RELATIONS, THE NAVAJO NATION

My name is Rodger Boyd, Executive Administrator for Government Relations. On behalf of Chairman Peterson Zah and the Navajo Tribal Council, we want to express our appreciation for this opportunity to comment on the FY'87 budget request of the Indian Health Service.

The Navajo Nation strongly opposes the FY'87 Indian Health Service budget request. In our view, the budget request is unacceptable and should be rejected by the committee because (1) it does not address the health needs of Indian people; (2) it does not satisfactorily resolve long-standing IHS management issues and problems; (3) it is inconsistent, misleading and inaccurate in its presentation; and (4) it does not present sound approaches towards elevating the health of the Native American population to the highest possible level.

Briefly, I would like to highlight three areas of concern within the IHS budget request:

1. CHR Program - Once again the Administration is seeking to eliminate the Community Health Representative Program. The CHR program performs a vital role in our health care delivery system, meeting the needs of the Navajo people living out in rural areas over a land base larger than the size of West Virginia. We respectfully urge the committee to restore the CHR funding level to at least the FY'86 appropriated level.

2. Hospitals and Health Clinics - The Administration proposes to cut Hospital and Clinic Funding by $19 million (4.5%). It makes no sense to cut what IHS declares (IHS Justifications p. 53) "the primary source of funds for the delivery of clinical health care to the Indian people." We urge the committee to restore the funding level to at least the FY'86 appropriated level.

3. Facilities Construction - Once again, in spite of the documented need for modernized and new health facilities, the Administration proposes to eliminate funding for facilities construction. The Navajo Nation has two hospitals on the current priorities list. The Shiprock Hospital (#2) is in need of modernization, and the Ft. Defiance Hospital (#4) needs renovation monies in order to keep it accredited until a new facility can be built. The Navajo Nation requests your consideration of these two facilities for funding during FY'87. The Shiprock facility needs $1.9 million in FY'87 for planning and design. The Fort Defiance Hospital needs $1.3 million to begin its renovation program.

Mr. Chairman, we thank you for this opportunity to comment on the FY'87 budget of the Indian Health Service.

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## STATEMENT OF JO ANN KAUFFMAN, MEMBER, NEZ PERCE TRIBE OF IDAHO

Mr. Chairman, my name is Jo Ann Kauffman. I am an enrolled member of the Nez Perce Tribe of Idaho and the Executive Director of the Seattle Indian Health Board. I have spent my entire educational and professional career developing my skills as a health care administrator and planner, in an effort to make some positive impact on the deplorably low health status experienced by Indian people. I have seen some very encouraging results since the Indian Health Care Improvement Act, and I have been fortunate enough to have participated in some exciting community activities to increase the quality and quantity of health care in both urban Indian communities and remote reservation towns.

Today, we are facing a renewed attempt by the administration to terminate its responsibility to improve health status for Indian people by eliminating needed appropriations. The administration's FY87 budget and the current rescission request to withhold $63 million in FY86 funds, goes far beyond the congressional intent behind Deficit Reduction legislation, and strikes a demoralizing blow to the fragile health care system struggling to serve this nation's sickest, youngest and most severely underserved population.

Indian Health Service documents, and the Secretary's Task Force on Black and Minority Health, point to the disparity between the health of Indians and that of the general public. While 70% of the deaths occurring in the general public are to people 65 years or older, in the Indian population 70% of the deaths are to those younger than 65 years. Our people die at a higher rate and at a younger age than any other group in the country.

## URBAN INDIAN HEALTH

The Presidents budget has once again called for the elimination of the Indian Health Service's most cost effective program, Urban Health. Over 100,000 individual patients are served by a program that costs the Indian Health Service less than $10 million a year to run. This averages out to less than $100 per individual user of urban Indian health programs annually.

The American Indian Policy Review Commission estimated that the Bureau of Indian Affairs relocated approximately 160,000 Indians from reservation to urban area during the 1950s and 1960s. The federal government has made attempt after attempt to disenfranchise, disinherit and discard the Indians and Alaskan Natives it moved to urban areas in an effort to reduce its trust responsibility.

The justification to eliminate funding for Urban Health rests on the claim that adequate alternate resources exist in cities to meet health needs for this population. Local providers of care do not agree. In Seattle, the local community clinics and the local health department have gone on record with this committee describing their patient load and budget cuts, stating that they have neither the excess capacity nor the cultural sensitivity to absorb and maintain our 20,000 patients, were the Seattle Indian Health Board to be eliminated.

Congress sought to determine the extent to which Indian populations might be underserved and why, when it asked for a special report in passing the 1978 Amendments to the Public Health Service Act. The findings delivered to Congress in 1979 entitled "Health Care Needs of American Indians and Alaskan Natives: A Report in Response to the Requirements of Section 116[b], PL 95-626", stated that Indians in urban areas experience significant access barriers to local alternate resources due to "... economic, geographic, advocacy, provider sensitivity, racial discrimination and cultural factors".

The 37 Urban Indian Health programs funded nationally have been very successful at identifying and serving the thousands of Indians in cities who, until Title V, went without needed health care or ended up in hospital emergency rooms or crowded into their reservation IHS clinic for major medical care. These urban programs have become integral components in their local network of health care providers. To eliminate these effective and quality programs will cost more money than it will save in the overall assessment of available resources.

## ALCOHOLISM FUNDING

If Congress were to hold a flashlight up to the body of "Indian Health" and examine the systemic effects of alcoholism, and then review its medical record to identify critical opportunities to intercede in the deadly progression of the disease, what Congress would find is the documentation necessary for one of the world's biggest and most scandalous examples of gross misconduct and medical malpractice on record.

Eighty per cent of all the excess deaths to Indian people are alcohol related, yet the Indian Health Service spends less than 1% of its budget on treating or preventing the disease. Five of the ten leading causes of death for Indian people nationally are alcohol related.
Alcohol is involved in 75% of all fatal accidents, 80% of all suicides, and 90% of all homicides among Indians.
In a recent study funded by the NIAAA, it was found that up to 54% of the Indian Adult population is actively experiencing the progression of alcoholism. In Washington State one out of every four Indian women has sought alcoholism treatment.

What is being done? For the most part, not much. The majority of the effort currently supported under the alcoholism appropriation goes toward the treatment of late stage, adult male, over 40 alcoholics who are the most likely to be recidivists and least likely to benefit from treatment. I am not suggesting treatment to this population is not needed, but I am asking Congress to look realistically at Indian alcoholism. What premium have we placed on the savable Indian alcoholic? What priority are we giving Indian children who are born into an alcoholic environment and carry their genetic predisposition to the disease for life.

To say alcoholism decimates the Indian population is an understatement, for the literal definition of 'decimate' is to kill one out of every ten. This disease is our plague, yet the response to it by Congress, IHS, and among Indian leadership has been less than lukewarm. We have all adopted a tolerance, a denial of the significance of the disease and we are negligently looking the other way while another generation of Indian children learn to become Indian alcoholics.

I am urging Congress to help Indian people fight their number one killer. This body sets the tone for Indian appropriations and programs. Treatment of alcoholism has been a small segment of the IHS budget, and it follows that the treatment of this disease is being dealt with as a small segment of disjointed programs locally. It is a systemic disease and requires a systemic approach to its treatment.

## RECOMMENDATIONS

1. Full funding for Urban Indian health at $10.2 million.

2. $2 million increase in Alcoholism for the explicit purpose of providing Prevention and Early Intervention efforts for Indian youth and Indian women. Specifically, to establish a demonstration project geared toward treating Indians at earlier stages of the disease. For Indian women, treatment is often not sought because of the fear of losing their children. A family treatment approach functioning in Portland, Oregon has a waiting list of women with children, the majority of whom are from Washington state and as far away as Idaho and Montana.

3. Special language in the FY87 appropriations requiring all agencies and subcontractors funded through Indian appropriations, such as the IHS, BIA, tribes, urban and other Indian organizations to have in place an Employee Assistance Program for early identification and required treatment of alcoholism for employees whose job performance is affected by the disease. Until Congress acts to treat the disease at all levels of the Indian community, including among those decision makers in local and national positions, efforts to impact the disease will continue to face passive resistance.

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## STATEMENT OF THE AFFILIATED TRIBES OF NORTHWEST INDIANS

Affiliated Tribes of Northwest Indians have united as one voice to address our concerns over what we believe to be a national Indian goal: To provide the highest possible health status to all Indians and to move towards developing strategies that will provide Indian Health Service and tribal governments all the resources necessary to accomplish that goal.

The Affiliated Tribes of Northwest Indians (ATNI) are deeply concerned over the current trends and policies of the federal government's involvement in the provision of health services to American Indians. We believe trends, such as the "new federalism", the Administration's consistent theme of eliminating critical health delivery programs, the President's veto of the Indian Health Care Reauthorization Bill, and OMB "recission" proposals, are indicative of a federal attitude which seriously dilutes the trust responsibility for health delivery to Indian people. Indian Health Services are already stretched to their limits; it is now incumbent upon us to unite and confront this situation in a manner that will retain our pride and dignity, and restore and peserve the government relationship we have fought to protect.

### Legal Basis for Health Services Delivery

Recognized Indian tribes and their members have an enforceable right to receive health care from the United States. This right is based on several points of settled law and established history.

## Trust Responsibility

The provision of federally-funded health care to Indian tribes began during the years when Indian affairs were administered by the War Department. Military physicians were assigned to prevent the spread of contagious diseases in the first Congressional appropriations for Indian health care.

The federal policy to begin to provide health services, food, and other social services to Indians was necessary because of the extreme hardship tribes were subjected to in the process of settling Indians on reservations where traditional practices of self-sufficiency could not be followed. In the Kagama Case, the U.S. Supreme Court stated: "they (meaning Indians) owe no alligiance to the States, and receive from them no protection. Because of local ill feeling, the people of the States where they are found are often their deadliest enemies. From their very weakness and helplessness so largely due to the course of dealing of the federal government with them and the treaties in which it has been promised, there arises the duty of protection, and with it the power. This has always been recognized by the Executive and Congress, and by this Court whenever the question arises."

Under certain circumstances the Supreme Court has held that the duties of the United States to Indian people are those of guardian and a ward. When those circumstances are present, the United States can be compelled through the courts to provide its wards with goods and services. In United States v. Mitchell, the Supreme Court said "a fiduciary relationship necessarily arises when the government assumes such elaborate control over ... property belonging to Indians..." and recognized the "undisputed existence of a general trust relationship between the United States and Indian people." This Court has previously emphasized "the distinctive obligation of trust incumbent upon the government and its dealings with these depenant and sometimes exploited people." This principle has long dominated the government's dealings with Indians... Given the existence of a trust relationship, it naturally follows that the government should be liable in damages for the breach of its fiduciary duties...prospective equitable remedies are totally inadequate." The history of the provision of health services to Indians and the scheme of federal treaties, statutes, and regulations providing health services to Indians is no less comprehensive. (White v. Califano), 437 F. Supp. 543 (D.D.F. 1977), aff'd. 581 F.2d C97 (S.Cir. 1978.)

## Treaties

Beginning in 1836, a number of Indian treaties, including many of those in the Pacific Northwest, bound the United States to provide health care to tribes, an obligation that remains enforceable in court. The Constitution of the U.S. is very clear: "
This Constitution...and all treaties made, or which shall be made under the authority of the United States, shall be the supreme laws of the Land." (Article VI).

## Legislation

For many years before authorizing legislation was passed for Indian health care, Congress and the Administration acknowledged the federal responsibility to provide health services to Indians by appropriating funds for this purpose, first to religious and philanthropic organizations and then beginning in 1910, to the Bureau of Indian Affairs (BIA).

In 1912, President Taft sent a special message to Congress requesting additional health care dollars for Indians: "As guardians of the welfare of the Indians, it is our immediate duty to give the race a fair chance for an unmaimed birth, a healthy childhood, and a physically efficient maturity."

Through the Synder Act of 1921, Congress demonstrated its intent to provide health and other services to Indian people for as long as the federal-Indian trust relationship continues. While the language of this Act is general with regard to actual appropriations the legislative history of the bill shows that the Act was adopted in order to provide specific authority for teh delivery of federal services which ahd for decades been viewed as "itegral parts of the Indian services, nearly all of which have been appropriated from year to year and will continue, in all probability, as long as the Service does." H. Rep. No. 275 67th Congress,1st Session (1921), and 61 Cong. Rec. at 4684. Debates concerning the Act show that Congress was well aware of the guardianship responsibility of the federal government with respect to Indian affairs and were specifically aware of the poor health status of Indian people and the importance of health care to their future. During the debate on the Act in the House of Representatives, Representataive Leatherwood from Utah went so far as to characterize health care as one of the "fundamental obligations of the federal government to Indian people." In the Johnson O'Malley Act of 1934, 25 U.S.C. Section 452, et.seq., Congress acknowledged the federal government's responsibility to provide comprehensive medical services for Indian people. The legislative history of the JOM Act emphasizes that the federal government would retain financial responsibility for the provision of services to all members of federally-recognized tribes.

Congressional reports on the Act state that the term "medical attention" as used in the Act meant to include:

> physical examinations, medical and surgical work and treatments, hospitalization, dispensary and concalescent care, nursing, sanitation, and the application of such other public health measures as might be necessary, including prevention, investigation, suppression and control of contagious and cummincable diseases.

The Transfer Act transferred health services to the Department of H.E.W., now Department of health and Human Services (DHHS). The Senate report on the proposed transfer acknowledged that "the BIA is responsible, under present law, for the total health program--both preventive and curative medicine - for all Indians registered as members of the various tribes in the U.S. and Indians and natives of Alaska and the legislative hsitory of the Act shows that the Transfer was motivated in large part by the desire to IMPROVE the quality of medcial services provided to Indian people by placing them under the control of the professionally controlled and better-funded IHS. The Indian Health Care Improvement Act of 1976 established a new framework for increasing federal health and medcial services to Indians. Congress recognized that insufficient services and appropriations were being made available to meet the federal responsibility for Indian health care and set forth a plan of action "in fulfillment of its special responsibilities and legal obligations to the American Indian people to meet the national goal of providing the highest possible health status to Indians and to provide existing Indian health services with all resources necessary to effect that policy." The Act further states that:

"Federal health services to maintain and improve the health of the Indians are consistent with and required by the federal government's historical and unique legal relationship with and resulting responsibility to the American Indian people."

"All other federal services and programs in fulfillment of the federal responsibility to Indians are jeopardized by the low health status of the American Indian people."

"...comprehensive health care services, including hospitals, ambualtory care services preventive and rehab services, and development of community sanitation facilities...

A legal review of the above general legislation concerning health care for Indian people concludes that it creates an enforceable contract between the federal government and the Indian people with respect to health care.

Service Deficiencies in the Indian Health Service (IHS)

The IHS has never met its acknowledgeo and documented responsibility for providing adequate health care to Indians. Appropriations have historically been inadequate, even immediately following the passage of the Indian Health Care Improvement Act, which aimed to bring Indians to parity with the general population in health care within seven years. During the past five years, budget pressures have eroded the services more each year, requiring tribes in many areas to be restricted to "urgent and emergent" services only (services which, if withheld, would result in death within one year.) Preventive and educational programs, as well as mental health and alcoholism care, though always inadequate, have been further reduced.

The federal responsibility to this desperate budgetary situation is to try to reduce the eligible service population. Present IHS regulations have created a system in which the ability to get medical care depends not on medical necessity but on the administrative delivery mechanism and on the availability of dollars appropriated to purchase the medical services. Over 50% of the Indian people, who now live away from the reservation have been illegally declared ineligible for most Indian health services. Now, faced with a population increase of over 2% per year, with more and more tribal members returning to the reservation, and with numerous terminated tribes being restored to eligibility for IHS services, the Administration is again seeking ways to restrict eligibility, in defiance of the clearly-stated desire of tribal governments to determine health care eligibility for their populations.

The budget cuts mandated by the Gramm-Rudman Deficit Reduction Plan, if implemented, would have a devastating impact on the ability of IHs to provide health care. Considering the current IHS health services budget (excluding administrative costs which receive a much larger cut) and calculating in an estimated 10% annual increase in the cost of health care and a 2% annual increase in the service population (based on birth rate), the health serviecs available to each Indian person in 1991 at the end of the Gramm-Rudman cycle would be only 52% (one-half) of what they are today. Given the current restrictions limiting most care to emergencies only, a reduction of this magnitude would leave almost no health system at all!

## Position Statement

Current Indian health problems are substantially attributable to the twin cornerstones of historical federal Indian policy: the reservation system, and federal, as opposed to tribal control over tribes and reservations in legal, political, and economic matters. To refer to the resulting obligation as "moral" is to ignore the role law plays in creating and maintaining this control. If the federal government is legally entitled to this control, yet not legally responsible for consequences, then the trust responsibility is no more than a cynical policy of racism and power politics. Power without commensurate obligation is tyranny.

Health care for Indian people is not a racial issue, nor is it a financial issue; it is a legal and historical obligation based on treaty, law, and the trust responsibility which the federal government forcibly assumed over Indian nations. The efforts of the federal government to blame increasingly inadequate Indian health services upon budget restrictions is, in effect, a back door attempt at termination of a trust responsibility that could not be dissolved in the Courts. The proposal to change the Indian Health Service. In consideration of the federal responsibilities and commitments cited earlier in this paper, we hold that the Indian Health Service should not only be completely exempted from any further reductions but instead should be enhanced to meet the acknowledged federal responsibility.

# STATEMENT OF THE FORT DEFIANCE HOSPITAL STEERING COMMITTEE, INC.

This testimony is submitted by the Fort Defiance Hospital Steering Committee on behalf of the 23,000 persons served by the Fort Defiance Indian Health Service Unit within the Navajo Nation in Arizona and New Mexico. The Fort Defiance Hospital Steering Committee was established to create effective community interaction with health care professionals in addressing the present and future health care needs of the persons residing within the service unit.

## CONCERNS

Although Indian health programs were provided with "exempt" status upon the enactment of the Gramm-Rudman-Hollings Act, we are concerned about the overall effect this Act will have on health care services for Indian people, particularly in respect to the changing needs that are occurring.

We understand that the entire Navajo Area program of the Indian Health Service has already been affected by the first phase of implementation of the Gramm-Rudman-Hollings Act and that reductions are being made in many areas of the budget. Given the problems that continually exist in recruiting qualified persons to fill positions, we are convinced that the long-range impact of the Gramm-Rudman-Hollings Act will definitely and perhaps drastically impair the quality and diminish the range of services available to Indian people.

The Fort Defiance Hospital Steering Committee is also concerned about the FY 87 budget proposed by the Administration. Although Congress recognized the necessity for adequate funding for Indian health programs in giving them exempt status, the fact that the Administration repeatedly attempts to slash the funding indicates to us a total lack of understanding of existing needs.

We are convinced that the reduction of funds for these critically needed facilities is not cost-effective and would only lead to future increases in the allocations necessary to provide at least minimum services to Indian people.

Consequently, in the FY 86 fiscal appropriations process Kotzebue, Alaska Hospital received an appropriation for planning and design. As a result, Shiprock, New Mexico Hospital now has moved into the number one position on the list of unfunded health facilities priority list. Therefore, Shiprock will be considered for planning and design funds in FY 87. This leads us to conclude that the Fort Defiance Hospital will be moving up the priority list and that chances of receiving initial planning funds in FY 88 is favorable.

## RECOMMENDATIONS

The Fort Defiance Hospital Steering Committee, on behalf of its local constituency and of all Indian people requiring health care, respectfully submits the following recommendations:

1. That Congress carefully consider the continuing health care needs of Indian people in determining feasible methods to address those needs;
2. That Congress provide the funding that is necessary to maintain effective stability in the programs that presently exist and that provide vital and irreplaceable services to Indian people;
3. That Congress carefully review the long-range needs of Indian health care programs, including the renovation and replacement of existing facilities and the need for construction of new comprehensive health care facilities and develop an effective plan, with the necessary appropriations, to address those needs.

## CONCLUSION

On behalf of the Indian people we represent, we wish to express our appreciation to members of Congress for their continuing efforts to address and alleviate the health care needs of Indian people. We are certain that your concerns for humanistic needs will ensure that vitally-needed programs will not be sacrificed in the attempts to cure the overall fiscal problems that confront the nation.

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## STATEMENT OF ROBERT CLARK, EXECUTIVE DIRECTOR, BRISTOL BAY AREA HEALTH CORP.

My name is Robert Clark. I am Executive Director of the Bristol Bay Area Health Corporation (BBAHC), a tribal organization representing 32 Alaska Native villages of the 40,000 square mile Bristol Bay region in Alaska. BBAHC contracts under the Indian Self-Determination and Education

Assistance Act (Public Law 93-638) to operate the Kanakanak Hospital of the Indian Health Service and to provide community health services to Alaska Natives in the Bristol Bay region. A new $20,000,000 IHS hospital at Kanakanak is nearing completion and is expected to be operational in July. BBAHC has been designated by the Alaska Native villages of the region as the tribal organization to operate the new hospital under P.L. 93-638.

We had originally anticipated that our new hospital would be completed and ready for occupancy by October of this year, but our contractor now reports that the opening can be expected three months earlier. We now look forward to commencing operations at the new facility in July, 1986 -- but only if Congress will provide funding for the 41 new positions required to staff the hospital. We have sought an emergency Fiscal Year 1986 supplemental appropriation sufficient to fund new staff salaries for the final three months of this fiscal year, and urge favorable Congressional action on this request.

While we were not surprised that the FY86 IHS budget contained no staff salary funding request for the new hospital, the absence of such a request from the Administration's FY87 budget was indeed alarming. We understand that although IHS had sought to include funding for 41 new positions at Kanakanak, policymakers at higher levels of the Administration inexplicably deleted this item from the FY87 budget proposal. It makes no sense for the federal government to spend $20 million for construction of a new hospital and then make it impossible for that facility to be used at all. On behalf of the Alaska Natives of the Bristol Bay region, we urge the Committee to provide us with the $2,069,000 IHS has acknowledged is needed for operation of the hospital in FY87. The attached letter to us from the Alaska Area Office of IHS sets out the Service's detailed projections of our 12-month staff needs.

On behalf of the Alaska Natives of the Bristol Bay region, we thank this Subcommittee for its past support for the construction of the Kanakanak Hospital, and express our hope that you will continue to support our efforts to make the **hospital fully** functional.

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January 14, 1986

Mr. Robert J. Clark
Executive Director
Bristol Bay Area Health Corporation
P.O. Box 3050
Dillingham, Alaska 99576

Dear Robert:

As a followup to our telecon on January 7, 1986 regarding you and your staff's concerns on how your FY 87 proposal should be submitted in light of the uncertainty of FY 87 funding for the 41 additional positions and operating costs (see attached summary), the following plan of action is offered.

Submit your FY 87 proposal we have requested, using a two-part budget justification. The 1st part using the fund amounts previously cited (FY 85 Recurring) and the 2nd part using the attached summary for each program affected by the potential increases in additional personnel/support funds.

The attached summary of personnel/support funding requested from IHS to DHHS should be used by program for the 2nd part of the above mentioned budget justifications with corresponding Scope of Work increases noted in work load factors were ever possible.

Sincerely,

Michael M. Rowe
Michael M. Rowe
Project Officer
Alaska Area Native Health Service

Summary of additional Personnel/Support Funding IHS Budget Request to DHHS:

New replacement facility at Kanakanak

| Requested for: | 7 Months (Original IHS Budget) | Annualized (See Area Directors Memo 1-9-86) | |
|---|---|---|---|
| H&C | | | |
| 18 FTES | $ 858,000 | 31 FTES | $ 519,000 |
| Dental | | | |
| 2 FTES | $ 117,000 | 4 FTES | $ 200,000 |
| MH | | | |
| 1 FTES | $ 63,000 | 2 FTES | $ 108,000 |

| | | | |
|---|---|---|---|
| Sanit. | | | |
| 1 FTES | $ 33,000 | 1 FTES | $ 56,000 |
| HE | | | |
| 2 FTES | $ 109,000 | 3 FTES | $186,000 |
| 24 FTES | $1,180,000 | 41 FTES | $2,069,000 |

*Annualized based on new hospital completion 10/01/86

IHS Headquarters calculates the Personnel/Support funding in the following manner:

Average 1984 Personnel costs for Alaska by Activity (ie. H&C, Dental, MH) plus a 3 1/2 % Pay Increase for FY 85, FY 86 & FY 87 plus 20% for support costs (ie. Telephone, Utilities).

I have been unable to determine were the increase in M&R funding is within the IHS budget request. A-CMB has been working on what kind of increase in M&R funding you could reasonably expect.

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February 4, 1986

Robert J. Clark
Executive Director
Bristol Bay Area Health Corporation
P.O. Box 3050
Dillingham, Alaska 99576

Dear Robert:

This letter is in response to your two letters of January 15, 1986. Apparently the use of three different RRM applications over the past five years has resulted in some confusion which is understandable.

For preparation of the Program Information Document (PID) dated November 1980, a RRM application using actual and projected workload and population data then available showed a total required staff of 109.2.

In preparation of the FY 87 IHS budget document, an updated RRM application was applied to more recent workload and population data. That April 1985 application of the RRM showed a required position complement of 93.8.

The RRM application which resulted in the 147.2 staff you noted was prepared in November 1985 as a result of the special IHS Headquarters based Operations Analysis Project. Erroneous population and workload data caused the required position numbers to be inflated. Also, staffing need assumptions included engineering positions which historically have been based in the Environmental Health office in Anchorage. So, that application was flawed and needed further revision.

My memorandum to Dr. Rhoades of December 18, 1985 should have referenced the latest acceptable RRM application (the one dated April 1985); that was corrected in my second memorandum to Dr. Rhoades dated December 31, 1985. So, as indicated, we are supporting an IHS request that the FY 87 budget provide a recurring funded position base increase at Kanakanak in the amount of 40.8 positions plus additional recurring support costs for the operation of the new hospital. Let us hope that by working in concert we are successful in realizing this needed increase.

Sincerely,

Stanley Hadley Jr. MD

for Robert Singyke
Director
Alaska Area Native Health Service

# NATIONAL ENDOWMENT FOR THE ARTS
# NATIONAL ENDOWMENT FOR THE HUMANITIES

## STATEMENT OF THE AMERICAN ARTS ALLIANCE

Mr. Chairman and members of the Subcommittee, the American Arts Alliance appreciates the opportunity to testify today on behalf of FY 1987 funding for the National Endowment for the Arts. The Alliance, an organization of over 350 nonprofit performing and exhibiting arts institutions, presents these remarks in cooperation with American Symphony Orchestra League; The Association of Art Museum Directors; Dance/USA; OPERA America; and Theatre Communications Group.

### IMPORTANCE OF THE ENDOWMENT

The federal government has been a central player in our country's artistic renaissance. In founding the National Endowment for the Arts, the government made it clear that nurturing America's creative ability and cultural expression was a national priority. With only limited federal funding, the Endowment has moved toward fulfilling its mandate, as expressed in its 1965 authorizing legislation, to "help create and sustain not only a climate encouraging freedom of thought, imagination, and inquiry, but also the material conditions facilitating the release of this creative talent." The Endowment has done this by appointing the highest quality professionals as program directors and panel members and by developing mechanisms to support the growth of the arts, thus making the arts accessible to all Americans.

Cities and towns all over the country have gained a new vitality and energy through the growth of the arts in the past 20 years. By providing a place for people to share an enriching experience, be it an outdoor concert on a Saturday afternoon or a visit to a new exhibit, art heightens the quality of life in a community.

Since its inception in Providence, Rhode Island, for instance, Trinity Square Repertory Company has done much to draw people back to their community and to give them a sense of pride about their city. Similarly, the George Street Playhouse in New Brunswick, New Jersey, has become a cornerstone of a city-wide redevelopment program and an institution that makes its citizens culturally richer. In Portland, Maine, the Portland Museum of Art spawned a broad revitalization project with its move to an old section of the city. Refurbishment of an old hotel, installation of a city park, and construction of a performing arts center followed the new museum's construction, development of which generated an initial $28 million for the community, and a subsequent $2-3 million annually. In choosing to extend their hours on evenings when the museum is open late, even businesses located around the museum in the newly-rennovated Congress Square have recognized the museum's impact.

In Chicago, the Lyric Opera's rise to international acclaim has elevated Chicago's sense of pride and community; its world-renowned symphony has enhanced civic identity; the independent thinking and creative "Chicago theater" has surfaced as a showcase of Chicago's indigenous style; and the extensive museum community for many years has drawn praise from all over the country, as well as Chicago and the midwest. Chicago's arts have contributed significantly to the city's spirit -- the spirit that its citizens enjoy and that makes it one of America's most popular and well-liked places to live.

## The Discipline Programs

The Endowment has achieved such success in enhancing the arts in cities all across America in large measure through the foresight and vision of its Discipline Programs. Money from these funds, while never providing more than 3-4 percent of a company's budget and requiring a 1:1 match of private dollars, is critical to the artistic integrity of performing and exhibiting institutions. For many, the Endowment grant is the largest single contribution to the company's annual budget. In addition, Program funds are perceived by the community as an endorsement of the institution's artistic policy and a recognition by peers of the company's contribution to the art form. They are also used as leadership gifts in attracting other contributors to give on an annual basis. The other funding categories in the programs provide incentive and financial support for company projects such as training programs, education and outreach activity, touring, and creation of new works.

Inception of the Dance Program, for instance, multiplied the number of professional training opportunities available to choreographers. The National Choreography Project, the Sundance Institute, Meet the Composer, Inc., the Carlisle Project, the American Dance Festival Choreographers and Composers Project are among those supported by existing programs. With Endowment help, opera companies developed outreach activities that include free public previews; lecture/demonstrations and excerpt performances in schools; full-scale productions in outlying suburban communities; and working within school systems to help students write, produce, promote and perform their own original operas. The Texas Opera Theater was established ten years ago in an effort to make opera available and accessible throughout the state of Texas and the country as a whole. With the help of the Opera Program, it continues to expand and to enjoy tremendous audience and artistic success. And theater, in its reflection of contemporary life, has been among the most active of the arts in developing work for our time -- work that may become art for all time.

Because of Program money, the arts are experiencing unprecedented amounts of creative and performance activity. Yet the economic realities of nurturing that creativity and performance threaten their continuity. Arts institutions are now struggling to continue their artistic missions under the weight of several factors. Not only has direct federal support of the arts, in the form of National Endowment for the Arts funding, begun to slip at precisely the time that institution production and operating costs are rising, but other impending changes threaten the well-being of arts institutions as well.

Private sector, corporate, and foundation arts support, already woefully inadequate in light of burgeoning company expenses, is further jeopardized by current Administration and Congressional proposals to remove or change tax incentives for charitable giving. Other threats to corporate giving stem from the increasing merger activity of major companies which has ended many corporate arts programs. At the same time, the Administration's proposed elimination of the postal subsidy for nonprofit mailers poses additional problems for arts groups. The nonprofit rate is a vital element in not only the fundraising activities of nonprofit institutions, but also in their efforts to publicize and market upcoming events and activities, their principle means of generating earned income. Another area of concern is insurance costs, costs which have risen so dramatically within recent years that they are now beyond the means of many companies. In short, while the arts have recently enjoyed a period of great creativity, they are now beset with problems on myriad fronts.

As a result of these hardships, many institutions are being forced to shorten their performance seasons; perform and exhibit standard "safe" repertoire instead of undertaking the "research and development" of creating new works; and cut back on their outreach and education activities. As a way of cutting costs, theater is being forced increasingly to mount small-cast, one-set, modern-dress plays, rather than elaborate, full-scale productions. Similarly, it is reasonably certain that in opera, few large scale new works will be attempted as companies lean toward smaller scale, less expensive works. More and more frequently, in all the disciplines, costs are confining the parameters of new work. The result is a restriction of artistic expression.

In light of the problems facing arts institutions, continued Endowment Program support is more important than ever.

## The Challenge Grant Program

Another Endowment initiative that has played a significant role in the advancement of the arts is the Challenge Grant program, the mechanism by which the Endowment has provided for long-term institutional stability. Under the terms of the program, applicants must have been in existence at least five years, and must match every Endowment dollar with private funds on a 3:1 basis. Money is used to build endowments or cash reserves; eliminate accumulated deficits; support capital improvements; and occasionally, implement long-term initiatives.

Institutions with a demonstrated record of artistic excellence and of regional or national significance have been able to launch major fundraising campaigns to improve their balance sheet positions with the help of the Challenge Grant program. Similarly, the program has enabled many of the nation's largest arts institutions to found or expand endowments.

With the help of Challenge grants, for example, the San Francisco Opera expanded its operation, by popular demand, to include a second performance season. Its second round of

Challenge enabled it to strengthen its endowment and improve its financial stability. The Seattle and Washington, D.C. Operas expanded their performance seasons with the help of Challenge, and the Michigan Opera Theatre, with the help of the program, was able to move into new facilities.

Kenneth Haas, General Manager of the Cleveland Orchestra, spoke to the importance of the Challenge when he said that it may be "the single most influential fundraising device in the history of the arts in this country; certainly The Cleveland Orchestra's two million-dollar challenge grants have been of inestimable value in stimulating support from other sources and helping us to maintain a marginally stable financial position since 1977. It is unreasonable to expect that private sources will take up the slack if Endowment support is reduced."

The Challenge Grant's focus on financial solvency has been an important complement to the Discipline Programs' emphasis on artistic achievement. However it must be kept in mind that institutional stability is built on artistic stability; without the artistic product, the focus of Endowment program monies, an institution has nothing on which to base its growth.

## CONCLUSION

We understand the difficult decisions facing this Subcommittee as it attempts to set budget priorities for the federal government. We hope that consideration of the unique role the arts play in society will enter into your deliberations.

By encouraging boldness of vision and independent thought, the arts enhance the creative force that builds progress and excellence in a nation. The creative and unfettered mind is the one that explores new opportunities for mankind, carrying him beyond the familiar and into the future. The arts fuel the ability to dream and to imagine, abilities by which man has mastered his world and reached beyond his ordinary boundaries.

As important as their influence in shaping man's future is the role of the arts as recorder of the past. Great nations are remembered as much for their culture as their commerce -- artistic expression reveals the essence of civilization, and just as the arts preserve the past, they interpret the present. They engender a sense of who we are and where we are going, and give a sense of national pride and identity. As stated in the Endowment's own authorizing legislation, a high civilization must support "man's scholarly and cultural activity in order to achieve a better understanding of the past, a better anaylsis of the present, and a better view of the future."

The arts are more than a creative force, testimony to the past, bellwether of society's values and achievements, however. They are guardians of our humanity as well. In an increasingly mechanized world, the arts rekindle emotions and sensitivities; in an increasingly violent world, they provide spiritual solace. Whose spirits do not soar with the beauty of dance, the majesty of a symphony, the grandeur of opera? Who is not refreshed by an exhibit of master paintings, who not inspired by the power and truth of drama?

## STATEMENT OF PETER M. FANNON, PRESIDENT, NATIONAL ASSOCIATION OF PUBLIC TELEVISION STATIONS

### Summary

The nation's public television stations strongly support the missions of the National Endowments for the Arts and Humanities and urge the maximum feasible levels of federal support be made available to them in fiscal year 1987. We wish to recommend specifically that both Endowments' funds for media projects continue to be funded at higher levels which will provide effective and efficient use of Endowment money. The funds continue to be essential to public television's program pipeline. We also wish to go on record in support of the continuation of the Challenge Grant programs in both Endowments.

### Introduction

In spite of, or perhaps in response to, recent fiscal crises, Congress has recognized the great importance of maintaining the federal government's commitment - through support of the two Endowments - to preserving our nation's heritage, educating all our citizens, and promoting the work of our nation's many and varied artists and scholars through their support of the two Endowments. The nation's public television stations share this commitment and make it part of their mission. We are deeply grateful for your unswerving support.

In their relatively short but luminous history the Endowments have done more than provide modest support to our nation's artists, scholars, and teachers; they have helped place a foundation on which cultural organizations large and small can seek private and corporate support to fulfill their mission to share and celebrate this country's tremendous creative genius.

### Public Television's Role in the Arts and Humanities

Public television has continuously provided access to this grand celebration -- to culture, to history, to popular and scholarly discourse, and to the performing arts -- for nearly the entire American population. Some 97% of the homes in America can receive a free public television signal, and nearly 50% of them tune in public television for several hours per week. In terms of race, education, and income level, our audience mirrors the nation as a whole. A disproportionate share of our viewers is over 50 years of age and not in the work force, leading to the conclusion that our programming may be providing one of the only glimpses of culture to elderly, disabled, or low income Americans.

While there can be no substitute for attendance at a live arts performance, public television programming can serve as an important introduction and enticement to the performing arts. In the words of National Endowment for the Arts Chairman Frank Hodsoll, quoted in the February 6, 1986, New York Times, "It is important to reach more people through our television programming in general. In a 1982 survey 61 percent of American adults said they have not attended, even once, a live performance of jazz or classical music or theater or opera or ballet, nor visited an art gallery or museum. We have got to reach out to these people -- we need to do more in this area even with a reduced budget."

The early, important commitment of funds by the NEA to public television's performance series has enabled them to attract steady, prominent corporate underwriting commitments. These commitments will make possible later this year such productions as Die Fledermaus, Boris Godunov, Turandot, and a gala concert featuring Joan Sutherland and Luciano Pavarotti on "Live from the Met". Highlights of this year's schedule from "Live from Lincoln Center" include performances by Isaac Stern and Itzhak Perlman with Zubin Mehta.

Studies have shown that television does not replace live arts attendance; it enhances it. Faced with high costs of mounting tours, many major arts companies, including the Metropolitan Opera, have acknowledged the growing importance of their role with public television. Participants in a recent panel discussion at Fordham University celebrating, respectively, the tenth and ninth anniversaries of the public television series "Live from Lincoln Center" and "Live from the Met" discussed how these series pioneered methods of televising operas, plays, concerts, and dance. According to panelist Dr. Brian Rose of Fordham, the broadcasts have enabled home viewers to take live cultural events almost for granted, and have helped inaugurate a whole generation of cultural superstars. Rose also pointed out that during the 1960's, as network commercial competition grew, cultural programs were deemed too elitist and not good for ratings. He added that most of the changes and improvements in offerings of cultural programs in the last 15 years -- a time when experimentation by the commerical networks has declined -- have come about with the the help of corporate sponsorship and the willingness of public television to experiment with such programming and to assign it favorable positions on the PBS schedule.

Experimentation in newer art forms continues on public television with the help of the NEA, both within our current performance series and in new series. Featured in the current season of the series "Great Performances" was the documentary "Einstein on the Beach: The Changing Image of Opera", a brilliant collaboration between composer Philip Glass, theater artist Robert Wilson, and choreographer Lucinda Childs. And, entering its second season this summer is the KTCA/Minneapolis-St. Paul series "Alive From Off Center", a showcase of works of today's most adventurous performing artists, fusing video technology with new wave theater, music, and dance.

Major funding from the National Endowment of the Humanities is making possible this season the new series "The Shakespeare Hour". With Walter Matthau as host and guide, the series presents each of BBC-produced Shakespeare plays in several weekly one-hour segments, in television mini-series fashion. This season features Shakespeare's "love" plays, while future seasons will be based on his themes of "power" and "revenge". Intended for classroom use as well as prime time viewing, the series educates with mini-documentaries and insightful commentary as well as entertains. The program's underwriter, the Morgan Bank, has funded production of free classroom materials -- teacher's manuals, student handouts, posters, and other teaching aids -- for all the first five plays and the distribution of them to every junior and senior high school in the country. It is important to note, too, that the presenting station - WNET/New York - prepared the plays and the educational materials with the guidance and support of some of the world's foremost Shakespearean scholars to insure the presentation's integrity and educational value.

"Wonderworks", the award-winning family drama series, is now entering its third season on public television with the support of the NEA. Recognized as television's best drama series by the first American Children's Television Festival, the series continues to explore the issues and problems of growing up with such fine productions as "Maricela", the story a young Salvadoran refugee; "Booker", an exploration of the transition from slavery to freedom through the eyes of young Booker T. Washington; "The Lone Star Kid", based on the true story of the 12-year-old mayor of Crabb, Texas; and "Anne of Green Gables", a four part adaptation of the L.M. Montgomery children's classic. Produced by a consortium of five public television stations -- WQED/Pittsburgh, KCET/Los Angeles, KTCA/Minneapolis, South Carolina ETV, and WETA/Washington -- this series attracts top flight actors and directors who accept minimum scale wages to help create all too rare masterpieces of family entertainment.

Public television's critically-acclaimed series "American Playhouse" has continued its tradition of bringing fine drama into American homes by presenting such Endowment-supported productions as "Huckleberry Finn", "Master Harold and the Boys", "Sunday in the Park with George", and "Heartbreak House". Coming this spring is "Roanoak", a four-hour dramatic presentation of the first settlement in Virginia. It is produced by South Carolina ETV.

## The Special Help from Challenge Grants

The public television stations that produce the great performance and cultural series for the entire 318-station system, as well as other stations, have received additional support from the two Endowments in the form of Challenge Grants. These three-to-one matching grants have enabled many of our stations to raise the funds necessary to take on the heavy burdens of production for a national system while still providing vital local services. Past years' Challenge Grant recipients have included WMFE/Orlando, KUON/Nebraska, WTTW/Chicago, Vermont ETV, and KTEH/San Jose. This year, KTCA/Minneapolis-St. Paul, and KERA/Dallas, received $500,000 and $250,000 respectively in Challenge Grant funds.

For example, KERA will use the $750,000 it raises in total through the Challenge Grant to increase its arts program production. The station has produced a six part series that will be aired this year entitled "West of the Imagination", a look at the American West through artists' eyes.

## Conclusion

Support from both the Endowments remains critical to the best use of public television for the American people. The fine programs that have been made available through Endowment funds have sought to fulfill the missions of both public broadcasting and the Endowments to enrich culturally and artistically the lives of the American people. Because of the budget cuts to public broadcasting in 1981, this past fall's public television season for the first time contained no new "blockbuster" series, and only now are our stations building back some of momentum lost during these past few years. Endowment dollars spent on public television's program pipeline -- in research and development funds, production assistance, or directly to our stations -- are indeed dollars well spent. Nearly every American has access to a free public television signal and to the cultural riches sent through it.

We encourage both Endowments to continue to increase their funding of broadcast media projects, and we support funding the Endowments to the greatest amount possible.

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1987

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WEDNESDAY, FEBRUARY 19, 1986

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, DC.*

The subcommittee met at 10:50 a.m., in room SD–124, Dirksen Senate Office Building, Hon. James McClure (chairman) presiding.

Present: Senators McClure and Bumpers.

## NATIONAL CAPITAL PLANNING COMMISSION

### STATEMENT OF GLEN T. URQUHART, CHAIRMAN

**ACCOMPANIED BY:**

- **REGINALD W. GRIFFITH, EXECUTIVE DIRECTOR**
- **MALCOLM L. TREVOR, SPECIAL ASSISTANT TO THE EXECUTIVE DIRECTOR**
- **ROBERT E. GRESHAM, ASSISTANT EXECUTIVE DIRECTOR FOR OPERATIONS**

### PREPARED STATEMENT

Senator MCCLURE. The subcommittee will come to order.

This is the time scheduled for review of the fiscal year 1987 budget request for the National Capital Planning Commission, the Advisory Council on Historic Preservation, and the Woodrow Wilson International Center for Scholars.

We will begin with the National Capital Planning Commission. Testifying on behalf of the Commission is Mr. Glen Urquhart, Chairman of NCPC.

Mr. Urquhart, it's a pleasure to have you again before this subcommittee. If you'd please introduce those with you at the witness table, we'll proceed directly to the questions.

Your statement will be included in the record at this point.

[The statement follows:]

### STATEMENT OF GLEN T. URQUHART

Mr. Chairman and members of the committee, I am very pleased to testify on behalf of the fiscal year 1987 appropriations estimate, for the National Capital Planning Commission. The budget justification document reflects the Commission's best efforts to carry out its role under the National Capital Planning Act as the central planning agency for the Federal Government in the National Capital region. We are confident that our package of programs for fiscal year 1987 will continue to fairly represent and protect the Federal interest, as well as to promote cooperation between the Federal Government and various jurisdictions of the region.

The National Capital region, as defined by the act, is the District of Columbia, the two surrounding Maryland counties, the four surrounding Virginia counties, and all cities within the limits of such counties. The region contains about 115,000 acres of Federal land, with some 170 million square feet of leased and owned floor space housing 408,000 Federal employees. Planning for the effective functioning of the Federal Government in terms of distribution of its employees, optimum accommodations and movement of goods and services, and the complementary meshing of the Federal interests with local goals are but a few of NCPC's responsibilities. The Commission is charged with preparing and adopting Federal elements and reviewing for Federal interests, District of Columbia elements of the comprehensive plan for the National Capital.

As part of its current comprehensive planning efforts, the Commission is preparing a general development plan for the monumental core sector of the National Capital. The Commission already has developed and adopted eight Federal elements of the comprehensive plan and is working with the District of Columbia to jointly publish those with 11 District elements. We anticipate that the combined document will be available this summer.

We also review capital improvements program requests of all Federal agencies within the region. This year's amount approaches $1.4 billion. In addition, the Commission performs Federal interest reviews of the capital improvements programs of State and local agencies and governments. Numerous master and project plans and plan modifications for Federal installations were also reviewed along with plans for the development of parks, parkways, and other open space systems in the National Capital, as well as District of Columbia master plans and site and building plans.

The Commission also has in-lieu-of-zoning authority for Federal projects within the District of Columbia. An example of a project approved under this authority is the National Defense University Library Academic Center.

The Commission's fiscal year 1987 budget request reflects the same level of personnel staffing as in fiscal year 1986. Over the last 10 years the Commission's staff has been steadily reduced from 64 full-time permanent employees to 46. Given the variety of skills necessary on the staff to perform Commission business and recognizing that in certain technical specialties we are already down to one employee per discipline (environmental planning, historic preservation, et cetera), we respectfully request no further cuts in staff levels.

We are requesting $2,684,000 for fiscal year 1987, which is approximately $12,000 less than current appropriated levels for fiscal year 1986. Insomuch as Gramm-Rudman-Hollings [GRH] reductions for fiscal year 1986 are concerned, it is possible that some undertakings we had hoped to begin in fiscal year 1986, might have to be deferred to fiscal year 1987. Of course, at this time we don't know how any GRH reductions for the fiscal year 1987 budget might affect our operation next year.

I, as well as my staff, look forward to answering any questions you may have regarding our estimates for fiscal year 1987. We feel that all of the programs presented in this budget are vital to the effective pursuit of our Commission's goals and objectives and are consistent with our legislative mandate.

## INTRODUCTION OF ASSOCIATES

Mr. URQUHART. Thank you, Senator McClure.

To my left is Robert Gresham, to my right, Reginald Griffith, who is our Executive Director. Mr. Gresham is our Assistant Executive Director. And Mr. Mac Trevor, who is our Chief Administrative Officer.

Senator McCLURE. Thank you very much.

## BUDGET REQUEST

The fiscal year 1987 budget request for the National Capital Planning Commission totals $2,684,000, a $12,000 decrease, or five-tenths of 1 percent from the fiscal year 1986 enacted level.

As a result of the Gramm-Rudman-Hollings Emergency Deficit Control Act of 1985, $116,000 is subject to sequestration on March 1, 1986. Your actual budget authority for the fiscal year would then be $2,580,000.

Your original request to OMB for fiscal year 1987 was $2,788,000. This is $104,000, or 4 percent above your request to Congress. Specifically, what initiatives were scaled back or eliminated in order to achieve these savings?

Mr. URQUHART. Senator, we had to scale back several consulting activities that support our role. These included approximately $40,000 that we had intended to utilize for consultants regarding the communications revolution and the changing office environment in Federal agencies so that we could better understand the role, the function of telecommunications and other changes in Federal agencies, how this might eventually affect things like commuting patterns and space requirements.

Also, we intended to revise the commission's Federal employment projections for the national capital region. About $25,000 was earmarked for that. Another $25,000 was earmarked for the Federal visitor attractions and facilities study. And finally, there was a city-wide topographic basemap update. Our half of that, sharing that equally with the District of Columbia, would have been $37,500.

Senator MCCLURE. Your justification shows that $105,000 will be sequestered from personnel compensation in fiscal year 1986. You describe your technical staff as being skeletal.

Will you be required to reduce the size of your staff even more in order to accommodate the amount that is being sequestered for fiscal year 1986?

Mr. URQUHART. We don't believe so, sir. We believe that we can get by by reducing some of our consulting expenses and gapping vacancies.

Senator MCCLURE. Are you proposing to increase personnel compensation in fiscal year 1986 in anticipation of the next round of sequestration?

Mr. URQUHART. No, sir.

## REDUCTION OF OFFICE SPACE

Senator MCCLURE. The President has urged Federal agencies to limit office space to 135 square feet per person. You show a reduction of $27,000, or 7 percent, in rental costs for fiscal year 1987.

Is that an effort to comply with that request?

Mr. URQUHART. Yes, Senator, it is an effort to respond to that request. In fact, we have reduced from something over 200 square feet per employee to approximately 169 square feet per employee. We do have the need for large meeting areas and exhibit areas that increase our total.

Senator McClure. Now you're going to reduce total office space. Am I correct in that?

Mr. Urquhart. Yes, sir.

Senator McClure. Will that force you to relocate?

Mr. Urquhart. Not at this time. We are going to continue with our lease at the present location.

Is that correct, Mr. Griffith?

Mr. Griffith. That is correct, Senator. What we do is we just double up. We squeeze down, put two people in an office that might have originally held one.

Senator McClure. But it doesn't require you to give up your basic lease on that routine space?

Mr. Griffith. No; fortunately, we are a planning organization filled with architects and planners and we just reconfigure the reduced space accordingly. [Laughter.]

Senator McClure. You don't reconfigure the outside walls, though.

Mr. Griffith. We try not to. [Laughter.]

Mr. Trevor. Basically, we'll be giving up some existing space at our present office location.

Senator McClure. And that can be done with respect to the landlord.

Mr. Trevor. Yes; we have agreed to give up 1,340 square feet.

## DEMOLITIONS OF FEDERAL BUILDINGS

Senator McClure. Last year a hearing was scheduled but never held to review NCPC's advisory role over proposed demolitions of Federal buildings in the national capital region and certain District of Columbia public buildings.

Can you explain the controversy surrounding this issue which prompted a hearing? And has the issue been resolved?

Mr. Urquhart. I can in skeletal form explain what we thought the issues were. I'm not sure I can necessarily explain the controversy.

Regarding the Holocaust Memorial Museum, NCPC approved the site for reuse and also a transfer of the real estate and would have been involved in an approval mode with respect to new construction. However, there's a gap in the present legislation with respect to demolition.

If you'd like more details, our general counsel can respond and she is much more familiar with that.

Senator McClure. OK. If you'd supply that for the record, it will be helpful.

Mr. Urquhart. We'd be happy to.

[The information follows:]

## H.R. 3478

During calendar year 1985 a hearing was scheduled on H.R. 3478, a bill which would among other things, give the NCPC advisory review over proposed demolitions of Federal buildings.

The legislation would close a recognized gap in this agency's ability to carry out its mandate as the central planning agency for the Federal Government in the National

Capital region. Federal and District of Columbia agencies are not currently required to submit proposed building demolitions to the NCPC on a project-by-project basis. Oversight of this kind of decision by the Planning Commission would ensure that an opportunity is provided for the review of such demolitions within a sound planning and land-use framework.

In one case last year, the NCPC, which has responsibility for approving and establishing guidelines for the transfer of jurisdiction of Federal property for use by the Holocaust Memorial Council, then found that it had no role in the Council's decision to demolish the buildings it transferred, even though NCPC had approved the transfer of jurisdiction with the understanding that those buildings could accommodate the program for the museum and would be renovated for that purpose. Had the NCPC had the opportunity to review the demolition proposal, it might have been able to contribute to the discussion concerning the Memorial Council's expanded program needs and alternative solutions to the problem.

Hearings were scheduled for November 1985 before the House Committee on the District of Columbia; however, the hearings were canceled before NCPC had an opportunity to formulate a position or comment on the legislation, so that submittal of a report by NCPC was not necessary.

### UNION STATION RENOVATION PLANS

Senator McClure. I'm not trying to stimulate a controversy; I want to understand one, if I can.

Mr. Urquhart. Thank you very much.

Senator McClure. Thank you. Could you describe your involvement in the plans to renovate Union Station?

Mr. Urquhart. Yes, sir. The commission approved the preliminary development plan for the Union Station redevelopment after much discussion and many meetings and cooperation with Union Station Redevelopment Corporation. Next month, we anticipate approving the final development plan.

Senator McClure. I guess I'm a little skeptical because I've been here too long.

Senator Bumpers. We've watched Union Station wax and wane, haven't we? [Laughter.]

Senator McClure. It waxed and waxed and waned and waned. And now it's about to wax.

Is that correct?

Senator Bumpers. I guess that's right. It's about to wax again the way it should have waxed in the first place, if I read it correctly.

I mean, it's going to be a train station when we get through with it?

Senator McClure. A train station with parking.

Senator Bumpers. Just as we eliminate Amtrak, it will become a train station. [Laughter.]

Senator McClure. And then we can make it a visitor's center. And we can eliminate the parking until we grant more permits and then we'll increase the parking again. [Laughter.]

I guess that exchange illustrates some of the skepticism some of us have as we look at a planning process that somehow gets out of hand. And I suspect you would be quick to admit, but slow to say, that some of that is caused by Congress.

Mr. URQUHART. I think I'd rather speak to the positive rather than the negative.

Senator McCLURE. All right. And the positive is——

Mr. URQUHART. Well——

Senator McCLURE [continuing]. That Congress doesn't always interfere. [Laughter.]

Mr. URQUHART. I think I would say, sir, after exploring a lot of not so fruitful alternatives, there is now, to be sure, much public money and much public effort. There is also a public-private partnership at work in the Union Station area.

It's more than just a train station; it's a transportation hub. I think it can be well integrated with both the light rail of Metro and the long-haul rail of Amtrak, particularly the Metroliner, and bus service and the availability of taxis and other modes of transportation almost on a 24-hour basis.

Senator McCLURE. And a certain number of commuter trains.

Mr. URQUHART. Yes, sir; I think one thing that encourages me is the interest of the private sector in development in that area. As much as the Federal Government can and must do and the District government can and is able to do, it's still basically, I think, and this is a personal opinion more than the opinion of the Commission, is going to depend on private enterprise being involved in that area.

I think there are encouraging signs with the approximately 170,000 or 180,000 square feet of commercial retail activity that is planned for that area.

I think, finally, the process will be begun so that this will be somewhat self-sustaining as opposed to something that constantly has to be subsidized.

There is also telecommunications to be noticed in that area, telecommunications opportunity in that corridor that I think will make the area grow.

Senator BUMPERS. Mr. Chairman, would you yield for a question at this point?

Senator McCLURE. I'd be happy to.

Senator BUMPERS. While we're on Union Station, I'm not as familiar with this Commission as I should be.

What authority do you have insofar as vetoing projects? If you and Mrs. Dole get into a dispute about what's going on at Union Station, do you have any veto power over it?

Can you just comment on that? [Laughter.]

Mr. URQUHART. I think I'd better ask both my general counsel and Executive Director to comment on that area. But I think I don't want to get into a dispute——

Senator McCLURE. A legal answer, not an opinion question.

Mr. URQUHART. Well, the actual answer is that we have not had any disputes with Mrs. Dole through the Union Station Redevelopment Corporation.

Senator BUMPERS. I guess the question revolves around more than Union Station and I'm more curious about that, as, obviously, the chairman is.

But my question really is more generic than just Union Station. I mean, all these plans in the geographical area over which you have some authority.

Mr. URQUHART. Certainly some responsibility.

Senator BUMPERS. Pardon?

Mr. URQUHART. Certainly responsibility, not always authority.

Senator BUMPERS. Right. My question is—if you disagreed with the plans that Mrs. Dole has submitted and the one that obviously is going to be adopted—do you have any veto power?

Mr. GRIFFITH. Senator, the answer depends on the actual location involved. Our area of responsibility extends to both the District of Columbia and the region—that's two counties in Maryland and four in Virginia.

Within the District, we have the equivalent of veto power over Federal public buildings and District of Columbia public buildings in the central area.

Senator BUMPERS. Does that include the Capitol?

Mr. GRIFFITH. No, sir, the Capitol is——

Senator BUMPERS. I thought so.

Senator MCCLURE. Nor the Senate Office Building. [Laughter.]

Senator BUMPERS. The Senate doesn't either, so don't feel badly about that. [Laughter.]

The Capitol Architect is the czar of this city. [Laughter.]

Mr. GRIFFITH. Theoretically, our authority does include the White House, but the situation is a little different.

However, in the region that's outside of the area that I just spoke of, we have only advisory power. So it is not veto. We can say, do not do something, and a Federal agency normally follows our suggestion. However, there have been rare occasions when they have said, thank you, but no thank you, and there's a process that they have to go through to do that.

Our legal counsel would have to speak to that in more detail, but that's the general answer.

Senator BUMPERS. Thank you, Mr. Chairman. That answers my question.

Senator MCCLURE. And the same thing is true with respect to the actions by the District government.

Mr. GRIFFITH. In the central area, District public buildings, yes.

Mr. URQUHART. District public buildings and Federal public buildings, but not private development.

Senator MCCLURE. You don't have any advisory role with respect to private development?

Mr. GRIFFITH. Only to the extent that it might impact on the Federal interest, such as bordering something or overlooking something. We also have somewhat of an advisory role through any changes in zoning or variances in zoning. We advise the Zoning Commission. But the final decision is that of the District of Columbia.

### HISTORICAL VISION

Senator McClure. I don't mean to get too far afield now, but in making your recommendations, how much do you look at the historical planning process, that which was envisioned for the District?

Mr. Urquhart. I think we look extensively at that. It's certainly our starting point.

Senator McClure. As I recall the history, the RFK Stadium is located on what was to be park lands.

And the stadium proposals, as envisioned by what were then the planning bodies, was either to the north or to the south of its present location.

Mr. Griffith. That is correct, sir, somewhat to the north.

Senator McClure. Yes; the preferred site, and I think the final site was to the north of the extension of The Mall to the east.

I footnote that only because there was an historical vision developed over some period of time when the District was formed and after that as to what this Federal district ought to be. And whatever actions we take are engrafted upon or changes in that original plan.

How important is that original plan?

Mr. Griffith. That original plan is extremely important, Senator. As Mr. Urquhart has said, it is one of the primary items that we looked at.

Additionally, we have to look at the comprehensive plan for the Nation's Capital which this Commission has developed. And we work very closely with the District of Columbia on the comprehensive plan. And development, of course, is a very dynamic process. And so what might have worked historically 50 years ago or 30 years, even 20 years ago, may not, in fact, be the best solution today.

We have to weigh one factor against the other.

Senator McClure. Certainly, you'd need more parking spaces and fewer hitching posts.

Mr. Griffith. Yes. [Laughter.]

Senator McClure. And I recognize that necessary change. Do you regard the current vision of development here as in the main, in conformance with the original plans?

Mr. Griffith. In the main, it is. I think Washington is very fortunate in that it did establish a Commission like ours and a Fine Arts Commission and a District planning body, and that we all work well together.

Additionally, the height of buildings limitations that the Congress has placed on the District has helped considerably.

So, in the main, the plan is important. There are occasionally anomalies that occur. There are some things that we have no control over simply because private enterprise is so dynamic and it is a force to be reckoned with.

And, of course, the District has a good deal of responsibility also and has to respond to its constituency.

Mr. GRESHAM. Mr. Chairman, we were just mentioning here, following up on what Mr. Griffith said, that certainly the original plan and the plan as it historically developed through the years is really a major point of departure for us.

The setting for the whole national capital, of course, extends beyond the city of Washington, and beyond those boundaries, the commission really has a very limited role. We try to achieve a great deal through cooperation with the other localities. But in many cases, their plans for taller buildings and structures that we feel have, to some extent, had impacts on the setting of the national capital, have really been beyond the reach of the Commission.

Senator MCCLURE. Well, I know earlier there was a great deal of concern about the development of the Rosslyn area. And I think a former secretary of the Department of the Interior brought a lawsuit against Arlington County to inhibit or to change the direction in which they were going on Rosslyn because he felt that there should be no highrises in view of the area downtown, as an example.

You don't have the authority over that kind of planning outside of the district.

Mr. URQUHART. That's correct. There is the ability to build buildings much taller than the Washington Monument almost anywhere around Washington that would be visible from the monumental core and certainly, to those people coming in and out of Washington by plane and otherwise.

We can advise. We can express a sense of historic concern. And we can express the fact that this city belongs not just to the residents—to be sure, it does belong to those who reside here—but in a very different sense from most other cities, it belongs to the entire Nation. And we can try to express that concern.

### COMMISSION'S ROLE IN BELTSVILLE AREA PLANNING

Senator MCCLURE. The Beltsville Federal planning area is a region which contains concentrations of Federal installations. I understand you will be focusing on a development plan for this area in fiscal year 1987.

First, am I correct in that? And if I am correct, what will be your role in the project?

Mr. URQUHART. Yes; and briefly, our role will be to take the lead in developing the master plan for that area, to try to develop a sensible scheme for the growth of Federal employment in that area, considering factors such as physical facilities, transportation, and so forth.

Mr. Griffith can answer in more detail, if you like.

Senator MCCLURE. Can I ask you a rather generalized question and then ask you to relate it to Beltsville?

What are the tradeoffs between concentrations of Federal facilities and dispersion of Federal facilities? And how do you make that balance?

Mr. GRIFFITH. It varies and we have to relate a concentration or dispersion to an infrastructure system, whether it be the roadways and the transportation facilities or the utilities that are available, et cetera.

We look at that. We also look at the functions involved. And for many years, this Commission has emphasized that there is a need for a concentration of certain headquarters facilities, that perhaps some of the support services could be dispersed.

If someone has to move, you want to make sure that the decisionmakers that have to deal with one another are at least concentrated.

Now you have such a situation in Beltsville, where you have the Goddard Space Flight Center, the Beltsville Agricultural Research Center, the Secret Service Training Center, headquarters for the FDA, Food and Drug Administration, et cetera.

Each of those agencies will be doing a master plan and project plan for each facility. Our role will be to coordinate the plans between the agencies, to set limits on the numbers of employees per installation, to make sure that the capital improvements that they need to do are somehow coordinated with local jurisdictions around so that things are on line on time.

So I think that we have a very influential role there, both in terms of immediate impact on their plan and in terms of advising OMB on their capital improvements programs for the 5-year cycle that we talked about earlier.

### HEADQUARTERS FUNCTIONS

Senator McCLURE. You mentioned something that's intriguing to me and that is that headquarters could be located in one area and supporting facilities at an area remote from the headquarters, if I understood you correctly. If that's not what you intended to say, then I would invite you to change it.

Mr. GRIFFITH. That's what I intended to say, sir.

Senator McCLURE. What about the people who deal with those agencies? Do you look at the question of whether or not they first go to the headquarters and then have to travel 10 miles to talk to the guy they really want to talk to?

Mr. GRIFFITH. Yes, sir, we do.

Senator McCLURE. How do you resolve that? Nearly everybody goes to the top first and they find out that the top doesn't know anything. [Laughter.]

And so they gradually get shuffled off to the person who really does know something.

Mr. GRIFFITH. Let me say that, for the most part, the immediate headquarters support is considered part of the headquarters unit. When I say general support, I mean things like research and development which is removed. But, for the most part, headquarters has a nucleus of people that relate directly to it.

Senator McCLURE. But there's nearly always an interface at some level.

Mr. GRIFFITH. Yes.

Senator McCLURE. And people cross that interface. And when there's a geographical separation, there's also a geographical barrier to that interface.

Mr. URQUHART. To be sure, Mr. Chairman, there are tradeoffs in that and you have put your finger on them. There is, in my experience so far, no simple or magic answer.

To attempt to answer the question that I believe you were asking in a more general sense, you used the word vision a while ago. L'Enfant had a vision for the city of Washington, as well as a plan. The McMillan Commission a century or more later had a vision.

We have begun a process, quietly at this point, to begin to collect information and some expertise to begin to see some view of visions of Washington and the Federal capital's future. We've begun to ask some questions about transportation and telecommunications and environmental issues and facilities issues that will impact on the functioning of the Federal Government, how it functions and how it impacts on the citizenry in this region.

We have had to utilize and we've been very fortunate in utilizing experts who were willing to testify and provide us some expertise for free because we simply couldn't buy it.

## RFK STADIUM

Senator McCLURE. Let me touch on two very controversial, very topical, very current issues.

Mr. URQUHART. Sure.

Senator McCLURE. One is what role do you have? How would you look at a question like District ownership of the stadium? Does that affect planning?

Mr. URQUHART. I think it certainly does.

Mr. GRIFFITH. It does affect planning. But District ownership of the stadium from our perspective would not be necessarily adverse because we believe that in such a change-over, we would be able to identify certain conditions that would go with the District ownership. And, in fact, we have been talking to the District and to the National Parks Service about items that would be necessary to include in a change of ownership.

Senator McCLURE. Do you think the change of ownership will change the impact upon transportation; the impact upon local use?

Again, that is an area that was established, I believe in the McMillan Commission plan as open area, as park area. Obviously, a stadium changes that and so does its parking lot. But the people who drive to and from that facility also have an impact upon those other values.

The plan to transfer ownership from the Federal Government to the District is intended to do something. I don't think it's just cosmetic or paper. It's intended to effect some changes. And if it is going to effect those changes, then those changes perhaps have some level of impact on the surroundings.

Mr. GRIFFITH. They certainly would. I am hoping, I am assuming that there could be a framework of conditions that would make such an exchange, if it were to occur, not adverse to the Federal interest.

Senator MCCLURE. There's an assumption on the part of many that the Federal Government really doesn't have any role or any interest in that change. And yet, it seems to me we must have some interest in how it affects the Federal city, if, indeed, it does.

I'm not necessarily opposed to it, but I think we have to ask those questions of ourselves.

## SMITHSONIAN MUSEUM AT DULLES

Another very current topic is Mrs. Dole's recommendation that we spin off the airports to a local authority. This is associated with another proposal that came up late last year to create a Smithsonian Institution museum at Dulles. This would initially be built around one of the space shuttles, but designed with the expectation that it would draw visitors, as has happened with the Air and Space Museum.

What happens if you add another million visitors to the Dulles Access Road?

Mr. URQUHART. We have looked at that and the commission does have a role there. It is my preliminary understanding that the scheduling of visitors and the way they would eventually be accommodated would not impact on the terminal operation of the airport as a transportation facility.

Senator MCCLURE. How about the road?

Mr. URQUHART. The initial exhibition of the space shuttle should have minimal impact on the road. The eventual increase of that facility into a more significant attraction would necessitate, in conjunction with other developmental pressures in that area, the development of a much more complex and sophisticated interchange at Route 28 and the Dulles Access Road.

That is currently being planned by the Virginia Department of Highways and Transportation.

So, again, based on——

Senator MCCLURE. The impact of the museum is being planned?

Mr. URQUHART. It is being contemplated in the Route 28 corridor study that is ongoing now. There's an engineering firm doing that under contract.

Senator MCCLURE. Do you know the timetable on that study?

Mr. URQUHART. I can't give you an exact date, but it's certainly this year. I think it's June or so.

Senator MCCLURE. The authorizing committee, and perhaps the Appropriations Committee, will both have to deal with that question this year. The more information we can get with respect to it, the better off perhaps we'll be.

I would invite you——

Mr. URQUHART. We would be happy if you wish to go back to our files on this because we have had one preliminary meeting on the subject, and respond to you with more information.

You mentioned Dulles. It's interesting, the proposed or conceptual transfer legislation includes, I believe, eventual reversion to the Federal Government under certain circumstances.

Am I correct?

Senator McClure. We'll turn it over to a local authority until they run it down, and then we'll take it back and refurbish it. [Laughter.]

No; I'm only joking. I don't know.

Mr. Urquhart. I certainly hope that it would contemplate certain safeguards as to use and appearance.

Senator McClure. Well, the reason I mentioned those issues is that if, indeed, as the representatives from the State of Virginia believe, the operation of Dulles by regional authority would greatly enhance the volume of traffic utilizing Dulles, then you're going to have an impact upon those roads and upon the entire territory. That has to be considered in conjunction with the Smithsonian proposal, which, if it's to meet their expectations, will also have an impact upon the transportation system.

Mr. Urquhart. The proposed Smithsonian property and access is actually closer to Route 50 and the I–66 corridor. So the intent is that there be some balancing of the vehicular access to that facility. Not all of it is intended to go on the Dulles Access Road.

Senator McClure. And since all the visitors will come in multiple batches in loaded cars, they can use I–66. [Laughter.]

Mr. Griffith. Additionally, Senator, I would add that assuming the regional airport authority is established, the commission would hope that as long as the land itself for Dulles remains under Federal ownership, even though it would be under this——

Mr. Urquhart. Lease.

Mr. Griffith [continuing]. Lease to the State, that the Commission's review role on the development of Dulles would remain the same because it still would be Federal land.

Senator McClure. You would assume that?

Mr. Griffith. We would hope so.

Senator McClure. Does the legislation as proposed include that?

Mr. Griffith. No, sir, it does not.

Senator McClure. It would be your recommendation that it should?

Mr. Urquhart. Yes, sir.

Senator McClure. Right. Thank you. And thank you very much for your testimony. I appreciate it.

### ADDITIONAL COMMITTEE QUESTIONS

There are some additional questions which we will submit in writing for answers for the record, and we would appreciate your prompt response to those questions.

Mr. Urquhart. We assure you you'll have it.

Senator McClure. Thank you very much.

Mr. Urquhart. Thank you very much, Mr. Chairman.

Senator McClure. Surely.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

Question:

If the FY-1987 sequestration is 20%, will staff reductions be necessary?

Answer:

In all probability that will be the case, although we have not made any projections with regard to sequestration in FY-1987

Question:

NCPC's Appointive Commission Members were authorized $100 a day in the National Capital Planning Act of 1952. You have sought a new compensation level equal to that earned by Executive Level IV employees. That level is now $278 per day. For three years, efforts to increase compensation for appointive members have been shelved. Under the circumstances, it appears that this proposal may follow the same path this year. Have you any indications that the authorizing Committees could make any progress on this issue on fiscal year 1987?

Answer:

Insomuch as both Committees (House and Senate) did report out bills in the last Session to raise Appointive Commission Members' per diem, we feel it is entirely possible they will do so again.

Question:

Have you ever considered modifying the request to a lower dollar number in an effort to get it passed?

Answer:

No. Executive Level IV is at the level which most other U.S. Government Commissions and Boards pay their Appointive members. In the past, OMB has gone along with that level as well.

Question:

The Commission is charged with the ongoing responsibility of reviewing capital improvements program requests of Federal agencies within the region.

What do you anticipate these costs being in fiscal year 1986?

Answer:

For fiscal year 1986, Congress has approved 40 capital improvement projects in the National Capital Region for a total cost of $190,167,030.

Question:

In fiscal year 1987 you will be focusing on the five-year Federal Capital Improvements Program. Please describe what new elements will be included in the 1987 five-year plan?

Answer:

The Federal Capital Improvements Program is based on submissions by Federal agencies of projects they anticipate for the five years, each Program has included from 166 to 197 projects for estimated total costs ranging between

1.36 and 2.22 billion dollars per Program. The FY's 1988-1992 Program will be reflective of the number and estimated cost of project requests submitted by the Federal agencies and will include informational elements that have proven useful to local, regional, state, and Federal agencies.

Question:

The Commission is also planning to focus on a review of the Federal land acquisition and development proposals in the region in FY 1987. What specifically will be involved in this review?

Answer:

While we can not say exhaustively what land acquisitions and development proposals in the region the Commission will review in fiscal year 1987, since such proposals are generated by other agencies, based on staff coordination with Federal and District of Columbia departments and agencies, we have tentatively identified several projects and plans that we anticipate will be submitted for review during this time. This list reflects a representative sample of the types and distribution of plan reviews that can be anticipated.

Revised Master Plans

National Institutes of Health (both Bethesda and Poolesville campuses)
Patuxent Wildlife Research Center
Goddard Space Flight Center
Arlington Hall Station
Andrews Air Force Base
Naval Research Laboratory
Bolling Air Force Base
Fort Belvoir

Projects

Physics Laboratory at the Naval Research Laboratory
Savannah and Plains Animals Exhibit at the National Zoological Park
Unaccompanied Officers Housing at the Naval Medical Command-National Capital Region
North Wing Addition to Building 54 at the main campus of the Walter Reed Army Medical Center

Question:

Which projects will comprise the greatest portion of your consultant contracts for FY 1987?

Answer:

If the trend of Gramm-Rudman continues, we may have no funds for any contracts in FY 1987. But, our plans were to spend $20,000 for a Visitor's Circulation Parking & Access Study, since that is one of the items that will probably be deferred from FY 1986 to FY 1987. The remaining $20,000 will be reserved for those unforseen ad hoc studies that may need to be done to support ongoing programs. These can range from the necessity for an environment impact statement to a contract for computer consulting.

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Question:

Have you completed the Monumental Washington exhibit? Where has it been distributed?

Answer:

This two-dimensional photographic exhibit is nearing completion but has not yet been distributed, or exhibited, outside the Commission offices. We have prepared the exhibit using staff resources as time permitted so that costs could be limited to supplies needed for its preparation. As soon as a current in-house review of the exhibit is completed and necessary refinements and adjustments are made, it will be ready for use at other locations. It will be made available for display at planning conferences and seminars, (nationally and abroad), at other agencies with public exhibit areas, in other public places, such as museums and libraries, and in the lobby of the Commission offices.

Question:

In responding to questions about the historical references for Commission actions and visions that the Commission may have for the future of the Nation's Capital, you made reference to some particular ongoing efforts to formulate a new or updated vision. Please elaborate upon the type of effort the Commission hopes to undertake in this area.

Answer:

We feel there is a need now for a new or updated vision of the long-term future of the National Capital. This would serve as a guide to the Commission and the Federal government in its comprehensive planning work and its day-to-day decision making on proposed developments in the District of Columbia and in the Washington Metropolitan Area -- much as the L'Enfant Plan and the McMillan Plan have done for the original historic city and for central Washington.

There have been tremendous changes and new developments in recent years in a variety of fields that wll impact the function and form of the National Capital. Most notable are advances in communications, computers, automation, the shift to an advanced industrial and information society, and other scientific, technological and attitudinal changes.

The Commission has, therefore, embarked on a series of discussions with a number of nationally and internationally known experts in a variety of fields. These discussions focus on the forces that could impact the future of the Federal government, its operations in the Naitonal Capital and the consequent alternatives for the physical form of the city and the region.

As resources permit, we will pursue these discussions and develop this new or updated vision.

Question:

You noted in response to questions about compatibility of Commission planning with historic plans and proposals for the Nation's Capital that, because of the lack of height controls outside the District of Columbia and limitations on your authority, some tall buildings had been built or proposed which could adversely affect the National Capital setting. Please describe any specific proposals that you believe may be particularly adverse to the historic character and setting of the Federal city.

Answer:

A proposal causing serious concern has recently been announced for a site along the east bank of the Potomac River just south of the District of Columbia. A 52-story office tower, part of a development to be known as PortAmerica, has been proposed on this site. Such a tower, which introduces an entirely new scale of height in the National Capital setting, would have a dramatic impact on the skyline of the Monumental Core, damaging the visual and symbolic qualities of the U.S. Capitol and the Washington Monument. Although located at some distance from the Monumental Core, the new tower, with its peak at an elevation over 200 feet higher than the Washington Monument and with a form suggestive of but significantly larger than the Monument, would in many views permanently relegate the symbols of our Nation in the heart of its Capital to a second-class level of dominance on the regional skyline.

This tower would also have adverse impacts on Federal interests related to its more immediate setting. It would virtually overwhelm the scale of the hillside along the east bank of the Potomac, adjacent to National parkland, irretrievably changing the natural character of the enframing ridge along the east side of the river that has prevailed throughout the history of development of the National Capital, since the time of President Washington. Mount Vernon Memorial Highway on the west bank of the Potomac, the Federal and non-Federal lands along the Alexandria Waterfront, and many parts of Old Town Alexandria would be overwhelmed by this looming tower building.

Access to portions of the PortAmerica project was facilitated by P.L. 99-215. Under this Act, title and interests in a 55-acre tract of Federal land were conveyed to the Maryland-National Capital Park and Planning Commission, with provisions permitting access across this land to owners of the adjacent property, the PortAmerica developer. When the NCPC and the National Park Service participated in establishing the conditions of access which would protect the Federal interests impacted by the proposed waterfront development of PortAmerica the existence of the 52-story office tower proposal was not known, and therefor not addressed in the discussions which contributed to P.L. 99-215.

Question:

In response to questions about Washington-Dulles International Airport, you noted that you feel it would be desirable to continue the Commission's current review responsibilities as long as the land remains in Federal ownership. Please describe these overview responsibilities and the consequences you feel may result if they are not continued, should the airport property be leased to a private authority.

Answer:

The Commission has for many years reviewed proposed revisions to the Master Plan for the Washington Dulles International Airport, including the Dulles Airport Access Road, and proposed site and building plans for individual construction projects at the airport. The airport serves as the principal gateway or entrance to our Nation's Capitol for international travelers and is becoming an increasingly important gateway for domestic travelers. The Saarinen Terminal is considered by many as one of the most important buildng designs in the world. The Saarinen Master Plan provides for an appropriate setting in which the dramatic visual and symbolic impression of that terminal is most effective. The Commission believes that, while significant growth at Dulles can and must be accommodated, the overall concepts of order and beauty of the Saarinen Master Plan must be carried out. The visual and functional quality of the Dulles Airport Access Road as an extension of this gateway is also highly important to the impressions that visitors have of our Nation and its Capital.

The Commission and the FAA have continuously stressed the importance of carrying out the original Saarinen Master Plan and, over the years, have resisted industry pressures to build cheaper, more utilitarian additions throughout the airport that would be inconsistent with the design and landmark quality of the existing main terminal and the Master Plan.

The Commission and FAA have also resisted proposals that would adversely affect the "Gateway" function of the road, it's limited access character and the exclusive use of the inner roadways by airport users only.

If FAA is replaced by a regional authority representing local interests, it is important that the Commission's authority to review and comment on proposed changes to the airport and the road be maintained to protect these Federal interests for at least as long as it is federally owned. In our view, the historic federal interests of the Dulles Airport requires the maintenance of the integrity of the original design and the master plan concepts even after the transfer to the regional authority.

# ADVISORY COUNCIL ON HISTORIC PRESERVATION

## STATEMENT OF CYNTHIA GRASSBY BAKER, CHAIRMAN

**ACCOMPANIED BY:**

**ROBERT R. GARVEY, JR., EXECUTIVE DIRECTOR**
**JOHN M. FOWLER, DEPUTY EXECUTIVE DIRECTOR**

### INTRODUCTION OF ASSOCIATES

Senator McClure. We'll now turn to the fiscal year 1987 budget request for the Advisory Council on Historic Preservation.

The fiscal year 1987 budget request is for $1,417,000, a reduction of $90,000, or 6 percent, from the 1986 appropriation adjusted for the Deficit Control Act, Gramm-Rudman-Hollings reduction.

This is the first appearance before the committee for the Council's new Chairman, Ms. Cynthia Grassby Baker.

Welcome, Ms. Baker.

Ms. Baker. Thank you very much.

Senator McClure. If you'd please introduce your colleagues for us at this time, we'll then turn directly to the committee's questions.

Ms. Baker. It would be a pleasure for me to do that. On my right is the Deputy Executive Director, John Fowler, and on my left, your right, is the Executive Director, Bob Garvey, who you know quite well.

Senator McClure. He's been here before. Welcome again.

Ms. Baker. But I'd also like to inform you, Mr. Chairman, that I have mixed emotions about explaining this, but Bob Garvey has been with the Council for 20 years as the Executive Director and he is about to retire on March 3.

Senator McClure. He's going to join those objects for which we preserve history.

Ms. Baker. That's right. [Laughter.]

He's done a very good job of it and he's certainly been a pillar of strength. And we hope that he will continue on. Our present Deputy Executive Director and general counsel John Fowler has been appointed Acting Executive Director and will begin those duties on March 4.

### PREPARED STATEMENT

Senator McClure. Your full statement will be included in the record at this point.

Ms. Baker. Thank you.

[The statement follows:]

## STATEMENT OF CYNTHIA GRASSBY BAKER

Mr. Chairman and members of the committee, I am Cynthia Grassby Baker, Chairman of the Advisory Council on Historic Preservation. It is a pleasure to present our program and appropriations request for fiscal year 1987. The Council values the support this committee has provided over the years.

The Council is an independent Federal agency created by the National Historic Preservation Act of 1966. The Council is composed of 19 members, including heads of Federal departments, representatives of State and local government and the preservation community, and non-Federal members appointed by the President. Our fiscal year 1986 appropriation is $1.575 million; our requested level for 1987 is $1.417 million. We have two principal duties: to advise the President and the Congress on matters concerning the National Historic Preservation Program and to oversee the process the Congress devised under section 106 to protect historic properties from needless harm by Federal activities.

Under section 106, we review about 2,500 projects each year ranging from the construction of reservoirs and highways to the rehabilitation of historic buildings and the issuance of Federal permits. Between 600 and 700 of these projects involve consultation to deal with the effects on historic properties, with particular attention to mitigating adverse impacts. This process saves thousands of historic properties each year. It also saves the Government money for two reasons. First, because we reach a firm and definitive agreement with the Federal project agency as to treatment of historic properties, there is a clear record of that agency's compliance with the law, and successful legal challenges, halting or delaying worthwhile projects, are almost impossible. Second, our review often results in the selection of an alternative for the protection of an historic property that costs less than the approach originally proposed by the agency. Our budget justification contains several examples of such instances.

During fiscal year 1985 the Council continued work on improvements in the section 106 process, which accounts for the major portion of the Council's program activities. In fiscal year 1983, operational adjustments within the Council's control were implemented and fiscal year 1984 witnessed significant improvements in the efficiency of the review of Federal undertakings. A major overhaul of the section 106 regulations, which began in 1981, appeared to be reaching fruition late in the fiscal year. Proposed revised regulations were published for public comment on October 14, 1985, and final regulations are anticipated to be in place by the beginning of fiscal year 1987.

Also important is the Council's statutory duty to make recommendations on policy matters affecting historic preservation. We have shared the results of our important studies with this committee in the past, such as our recent special report on Federal historic preservation case law. We look forward this year to providing the fruits of our assessment of the National Historic Preservation Act to the President and the Congress.

This overview of the NHPA will be combined into our annual report to the President and Congress. The Council membership will review the achievements of 20 years of the National Historic Preservation Act. From this review, we expect to highlight the program's numerous successes and also to identify those areas that deserve more meaningful attention. I am confident that the Council's effort will contribute significantly to the legislative work of this committee and complement related studies and recommendations being prepared by the Department of the Interior and the National Conference of State Historic Preservation Officers.

The Council's 2-day training course, "Introduction to Federal Projects and Historic Preservation Law," has prepared many officials to address the section 106 review process efficiently and effectively. Since its inception in 1981, the course has been offered over 50 times and has trained more than 1,300 officials. During 1985, the course was offered 14 times, training more than 380 Federal, State, and local officials. Special training, under HUD's joint sponsorship, is planned for 1986 to train community development city officials. The results of the training have been apparent in subsequent section 106 cases consultation: trainees are better equipped to meet their preservation responsibilities under Federal law, and can more easily and quickly complete the section 106 process.

These activities are being conducted within current levels of funding and personnel. Members and staff work together informally, with oversight from the Council members.

An important Council activity in the past few years has been our effort to help Federal agencies develop internal systems to deal efficiently with preservation requirements. We have emphasized programmatic consultation with agencies to harmonize the conduct of their principal missions with the policies of the National Historic Preservation Act.

The Council uses several mechanisms to attain this goal. Most useful is the programmatic memorandum of agreement, in which the Council, one or more State historic preservation officers, and a Federal agency agree on a program for treating historic properties in connection with some large or complex Federal activity. This agreement supersedes application of the regulations to specific cases and is tailored to the needs of the agency, the particular activities, and the property types in question. The programmatic memorandum of agreement reduces paperwork, speeds up the timeframes for agency reviews of their undertakings and cuts back on the number of steps required in the consultation process. Additionally, the Council has provided supplementary advice to Federal agencies on appropriate, efficient, and workable ways to deal with the section 106 process. An example of this is guidance on the treatment of archeological properties.

We have found that the resources invested in these efforts reap significant dividends over the long term for both the Council and Federal program agencies. This programmatic approach to developing preservation systems is the key to sensitive consideration of historic preservation values by Federal agencies in the long run. With proper guidance and tailored procedures, agencies solve their own problems with less need for recourse to the Council. We note that in fiscal year 1985 we completed 16 programmatic agreements, a 25-percent increase from the previous year, and anticipate completing 15 in fiscal year 1986.

As set forth in our budget justification, several areas of activity will be reduced in 1987. These include elimination of staff who support Council task forces, coordination of training programs, and public information efforts; reduction of staff and staff travel in the Office of Cultural Resource Preservation; and a reduction of Council member activity on task forces. We shall continue to carry out our activities to work with agencies in achieving the fundamental requirements of section 106—the requirement that the Council be afforded a reasonable opportunity to comment on each undertaking that may affect historic properties.

We remain optimistic that through more efficient section 106 regulations going into place by the beginning of fiscal year 1987 that we will continue to provide the current level of protection to historic properties. This document reflects a reduced budget, which is our important role in the deficit reduction process. This will impact our activities. And we will do our part to maintain our contribution to the National Historic Preservation Program while supporting the President's efforts to balance the budget.

## BIOGRAPHY OF CYNTHIA GRASSBY BAKER

Cynthia Grassby Baker of Denver, CO, appointed Chairman of the Advisory Council on Historic Preservation for a 4-year term (1985–89) formerly served the National Endowment for the Arts as Deputy to the Chairman for Private Partnership. She headed the Challenge Grant Program, Advancement Program, and projects involving private sector advocacy and partnership. Previously, she was State finance director of the Colorado Republican Committee in Denver, responsible for raising private contributions for Federal, State, and local candidates; sales representative for the Johns-Manville Co.; development director of the American Medical Cancer Hospital in Denver; and development officer of the National Jewish Hospital in Denver. She currently serves on the Advisory Council for Ford's Theatre and the National Advisory Board of the President's Committee on Employment of the Handicapped and is a member of the Symphony Orchestra League, the Denver Center for Performing Arts, and the Colorado Association of Commerce and Industry. Mrs. Baker is a former member of the Advisory Board of the John F. Kennedy Center for the Performing Arts in Washington, DC.

## FISCAL YEAR 1986 REDUCTION

Senator McClure. Thank you and we wish you well in retirement. My older brother has just retired and I remind him he's not old enough to retire.

Just looking at you, you're not old enough to retire, either.

Mr. Garvey. Mr. Chairman, I consider this a job change.

Senator McClure. All right. I suspect that may well be true.

The fiscal year 1986 Deficit Control Act reduction is $68,000. Before we review your request for 1987, would you please explain to us how do you anticipate absorbing the $68,000 reduction in fiscal year 1986?

Ms. Baker. Yes. Mr. Chairman, we have taken a very thoughtful look at how we might make these transitions. And clearly, with deference to Bob Garvey leaving and retiring, there will be some personnel savings.

In addition to that, we have some equipment maintenance contract services for which we will be looking at quite strongly and reducing.

In addition, I think we'll be looking at travel that will be curtailed in our resource cultural office and division. There are some equipment purchases that we will scale back with regard to the cuts imposed by Gramm-Rudman.

Senator McClure. As I understand some information which you have provided to us, one case worker will be separated from the Denver office, saving $12,000.

Is that correct?

Ms. Baker. Yes, sir.

Senator McClure. Is that voluntarily or is that a RIF?

Ms. Baker. No; that is not a RIF. That is a situation in which the employee was on temporary employment with the understanding that his qualifications and performance would be reviewed and evaluated. And at that particular time, we are looking at the fact that he will be resigning at the end of April. So I would not include that as a RIF.

Senator McClure. You've indicated that since the cost of benefits are based upon salaries, a reduction in the cost of benefits is anticipated.

Does that also include members of the Council?

Ms. Baker. No; that does not include members of the Council. That includes the personnel changes that we have discussed regarding Mr. Garvey and the other employee that we mentioned.

Senator McClure. So it won't be for any of the remaining personnel. It's just with reduction of the number of personnel.

Ms. Baker. The personnel that we are now aware of that have certain intents to move on to other positions.

Senator McClure. I don't mean to be abusive and I hope you will not take it this way, but there is no question that there's been some discussion about because of your location and residence, how you will function. And I notice that you have travel cuts.

Are those travel cuts all going to be at staff level? Is the requirement for your travel going to result in a reduction in their travel?

Ms. Baker. I think it will be combined, not only mine, but other Council members. I mean, there are certain activities for which we have task forces in place with the Council members. Certainly in this fiscal year, I have canceled one Council meeting, which means a savings of about from $5,000 to $10,000. We will only have three instead of four quarterly meetings. And one of the remaining meetings might be postponed into fiscal year 1987.

But I think we are looking at the whole picture in terms of task forces from Council members and to my travel also, although it should be noted that I am working out of the Denver office. Many of my duties have been accomplished by phone and by data communications.

### SUMMARY OF 1986 REDUCTIONS

Senator McCLURE. According to your justification, you will reduce travel by 25 percent. You will defer purchase of supplies and eliminate three staff positions.

By my calculation, your average cost per FTE is almost $33,000.

Is that correct?

Ms. BAKER. I would defer to John on that, if you would like to, please.

Mr. FOWLER. Mr. Chairman, we'll have to supply that for the record.

Senator McCLURE. OK. If you would do so, I would appreciate it. And the reason I ask that question, if you cut travel by 25 percent, defer acquisition of supplies, and eliminate three FTE's at $33,000 each, it seems to me that that's more than is necessary to generate $68,000 in savings.

Mr. FOWLER. The personnel cuts are not full-year cuts. The way this breaks down is as follows. From the Executive Director's retirement, after we pay his lump sum for accumulated annual leave and subtract that from what we would have paid him in salary for the period from March 4 to the close of the fiscal year, we achieve a net saving of $13,000.

From the grade 11 employee in Denver who will be leaving at the end of April, we will realize savings of $12,000. The third personnel saving is from a voluntary leave of absence by a grade 11 employee in the Washington office for 3 months that will realize a savings of $3,000.

So we're not actually abolishing three FTE's, but in the final analysis we might be eliminating the equivalent of one FTE.

### MORE PRECISE JUSTIFICATION

Senator McCLURE. The reason I asked the question, I think if you'd look at page 8 of your justification, what you have supplied me is obviously more accurate and refined than that which is stated in your justification.

I would encourage you to make the justification more precise.

Ms. BAKER. I think we can certainly do that by going back over some records so that you feel comfortable, and we, too. We made these considerations yesterday and we'd like to elaborate on them.

Senator McCLURE. Well, we've asked a specific question and found something that varies considerably from the justification that's given to us, which makes us wonder how many other places we should be asking the question.

Ms. BAKER. I understand that.

Senator MCCLURE. OK. I don't mean to belabor that point.

Ms. BAKER. No, no, I understand. I think we can supply better answers that are more specific.

Senator MCCLURE. Yes.

Mr. FOWLER. If I could comment on that——

Senator MCCLURE. Surely.

Mr. FOWLER. The reason the three staff positions are mentioned in the budget justification—that was a projection when we prepared the justification in January for submission to the committee. We were taking a pessimistic view of our ability to absorb our Gramm-Rudman cut through categories other than personnel.

Also since that time, the Director of OMB has issued a memorandum encouraging, if not actually directing, agencies to use personnel cuts as a last resort to meet Gramm-Rudman.

With regard to the three staff positions being eliminated, it was acknowledged when we prepared the justification that the Executive Director would be leaving and that position would become vacant, at least until the end of the fiscal year. We anticipated that one position would become vacant in Denver. And we anticipated that we might have to take a personnel action to eliminate one more position in order to meet our Gramm-Rudman cuts.

The paper you received yesterday as the summary of our Gramm-Rudman-Hollings cuts is the accurate statement based on the best information we have.

## IMPACT OF BUDGET CUTS

Senator MCCLURE. I recognize it's very difficult to anticipate with precision. You develop budgets far in advance of actions, necessarily so.

As you attempt to make these reductions across the board and ministerial in nature, have you been able to impact the Council direction activity equally with the cultural resource preservation activity?

Is the impact greater in one area than the other?

Ms. BAKER. I'm sorry, Mr. Chairman? Is the impact greater? In what instance?

Senator MCCLURE. In Council direction or in cultural resource preservation. You've got two different categories of activities.

Mr. FOWLER. If I could speak to that, Mr. Chairman. You're referring to meeting the Gramm-Rudman requirements for this year?

Senator MCCLURE. Yes.

Mr. FOWLER. Personnel cuts fall more heavily on the Council direction unit. As to the travel cutbacks, it remains to be seen whether they will be equally shared by Council direction and cultural resource preservation.

I would note that the vast majority of travel that we have expended so far this year has gone for the Office of Cultural Resource Preservation. And some funds for that came from the cancellation, or the postponing of the Council meeting scheduled for November.

The travel expenditure for the Council meeting comes from the Council direction unit. So we're trying to balance it, but we're also trying to keep our members actively involved in the work of the Council.

### DISTRIBUTION OF REDUCTIONS

Senator McCLURE. How will you attempt to spread the reduction evenly across the Council's range of responsibilities or evenly across the country?

Ms. BAKER. I think in talking about evenly across the country, we do have, first of all, the personnel savings that we had not projected before, and certainly with the retirement of Bob Garvey. But also, we're looking at some of the contract services that we might be able to eliminate and move into different areas that have not been of great use in the past months. And we have seen this over some time and we feel that at this point in time, it's adequate to remove and to look at other equipment which we are now on line with and it's working very efficiently. Therefore, we can do away with some of the mag card system or something like that.

In terms of traveling curtailment, I think we are looking at essential travel and then maybe combining some trips. Where we may have in the past made several individual trips, we will now combine two or three trips into one.

Some of the changes that we have looked at in the past is equipment to update further in our Denver office in order to talk back and forth with Washington.

We are able to do that now, but we wanted to be able to sophisticate that program a little bit more.

However, we think we can do that by making some—a cut almost in half and still serve some of the same purposes. It isn't going to be the ultimate in what we would like to have, but I think that we are able to work within those parameters and we've looked at that very carefully.

Senator McCLURE. I don't mean to harp on the subject too much, but there's an awful lot of concern across the country about what reductions in budgets may mean. They're asking us questions about what does this really mean? What's going to happen to the program? Or in very specific terms, an activity in a particular area that's been going on says, what does this mean to us?

And we're trying to find ways in which we can answer those questions.

Your narrative on page 8 shows a reduction of three FTE in 1986 and you have indicated how that has shifted from the original justification.

Ms. BAKER. Right.

Senator McCLURE. But your table on page 8 doesn't show a reduction. Now either in your original justification or in the revised information, should we adjust the number of FTE as shown in the tabulation on page 8?

Ms. BAKER. Mr. Chairman, what I'd like to come back to for one moment is when we prepared this document, certainly we didn't go through—we didn't have the knowledge that we did now of some of the implications of staff electing to leave and wanting to leave, et cetera.

But in preparing what we would do to carry on our daily business for the Council, we feel very strongly about that and I would come back to our support of the Presidential budget.

But in lieu of that, we have received a memorandum from James Miller at OMB saying that these are the ways that we recommend a transition to lower program levels.

In doing that, the bottom line, as the Deputy Executive Director has said, as a last resort, we would like to do that without considering furloughs or without a reduction in employees in the work force. And that is clearly our intent.

But I think if we have flexibility within our budget level at $1.4 million, we would be able to manage and perform our levels of work, quality work, in a very good fashion.

### PERSONNEL CEILING

Senator McCLURE. Well, to be very precise, if you look at page 8 of your justification, that in spite of the fact that your justification showed a reduction of three FTE, the table at the top of the page, 1986–87, shows level FTE's at 36, with no reduction.

Mr. FOWLER. Mr. Chairman, the figures of 36 FTE is the authorized ceiling of the Council, in accordance with the act of Congress.

In actuality, the budget level of $1.575 million is not sufficient to support a level of 36 FTE.

Senator McCLURE. Let me interrupt, if I may, because while that is the authorized level of 36, if you look at 1987, you've reduced it to 25. There's no change in authorized level.

Mr. FOWLER. Well, the ceiling that OMB authorized for our budget request to the Congress was 25.

Senator McCLURE. Was your ceiling as requested for 1987 adjusted at 36?

Mr. FOWLER. When we made our initial request to the Office of Management and Budget, which we submitted to this committee, we requested funding to support 36 FTE.

Senator McCLURE. Even though, at the same time, you in your narrative said that you were going to reduce it by three?

Mr. FOWLER. This was prior to that. This is our budget——

Senator McCLURE. There's a disconnect between your narrative and your table.

Mr. FOWLER. Well, the disconnect I believe is because the reduction of three staff positions in technical terms is not a reduction of three FTE.

Senator McClure. It was at the time you submitted the justification. Now, what you have done since that is different. But this table and the narrative anticipated a reduction of three FTE.

Mr. Fowler. The full-time equivalent, as I understand it, is one person for 1 year.

Senator McClure. Yes.

Mr. Fowler. The Gramm-Rudman cuts would not go into effect until March 1. And the anticipated eliminations of those positions——

Senator McClure. But, again, look down at the center of the page.

Mr. Fowler. Yes, sir.

Senator McClure. You say you're going to eliminate three. In the table at the top, you say you're not going to eliminate any. No matter what adjustment you made since that time, what you said in the middle of the page doesn't jibe with what you said at the top of the page.

Why?

Mr. Fowler. Mr. Chairman, I would just have to confess that the technicalities of this I may not be understanding or expressing correctly. But our 1987 base was set prior to our Gramm-Rudman adjustment. And the Gramm-Rudman adjustment, as I understand it, was an action that we took after the 1987 base was set.

Now it could be that the figure of 36 that is under the second column where it says $1,507,000, should reflect the elimination of those three positions. So maybe that should be 34.5 or something.

So there may well be an error there. I apologize.

Senator McClure. Well, all I'm trying to do is understand what you're trying to tell us by the material you've supplied to us.

Mr. Fowler. Well, in a nutshell, we are authorized at 36.

Senator McClure. Right.

Mr. Fowler. We have on board at present, because of part-time personnel, we have on the equivalent of 34 to 34½ people. When we take into account the retirement of the Executive Director and the elimination of the position in Denver and the 3-month leave without pay that an employee is taking, we will have at the end of the year probably around 32, 33 FTE's.

## BUDGET BASE

Senator McClure. And is that the base upon which you then will make comparisons at the 1987 levels?

Mr. Fowler. Well, our 1987 level has been set by OMB at 25 people. What we would have to do would be to get down to the 25 ceiling level from the 32 or 33.

Senator McClure. So there would be not a reduction of 11, then, as your table indicates.

Mr. Fowler. Right.

Senator McClure. It would be a smaller reduction.

Mr. Fowler. That is correct. The authority would be reduced by 11. We are authorized to have 36 people for fiscal year 1986.

If we had all grade 7's, we could afford 36 people, but we have a higher graded staff. So we must operate with fewer people.

Senator McClure. I understand that. But I would caution you that the table on the top of the page doesn't indicate that. We would ask fewer questions if the table didn't raise so many.

Ms. Baker. We appreciate that.

### FISCAL YEAR 1987 ESTIMATE TO OMB

Senator McClure. Ms. Baker, the Council's original fiscal year 1987 budget estimate to OMB dated October 2, 1985, requested appropriations of $1,795,000, or $378,000 greater than the administration's February budget estimate of $1,417,000.

Now you've said, we're going to give you high-quality programs, but obviously, you would have said the same thing at $1,795,000.

How would you characterize the difference in your operations at the lower level from that which you would have undertaken at the higher level?

Ms. Baker. Mr. Chairman, the Council, prior to my swearing in, approved the budget at $1.7 million. With that, there were certain delineations as to how that money would be spent.

When I looked at that budget, there were various program levels that were higher, such as travel, such as salaries, and some new initiatives—more training programs and the like.

Those clearly are the reasons I think the Council approved that particular budget. And when we went to OMB, we felt, I felt, clearly that we could conform to some changes and to streamlining our operation and looking at some different areas where we may look at a transition in program levels.

### EFFECT OF REDUCTION ON ACHP PROGRAMS

Senator McClure. In the same vein, the reduction in FTE's, that which is underway and that which is mandated and which you have suggested in your budget presentation, will have an impact upon programs. And we can say in general terms, well, we're going to get more out of the people that remain.

But what can you really expect in terms of program activity at the reduced FTE level?

Ms. Baker. Well, again, I come back to my statement with regard to the directive from Jim Miller, who has said as a last resort should we look at reduction in employees. We want to support that, and we do support that. I think it's a very sensitive issue.

With regard to that, with our $1.4 million proposal, I think if there were flexibility with full-time equivalents, FTE, and working within the $1.4 million budget, I think if we had flexibility with those 25 full-time equivalents, that we could do a better job.

Certainly, our workload is not going to decrease and it will impact us with the 25 full-time equivalents.

But the budget reduction was $1.4 million, and knowing that we have a request at 25 full-time equivalents, I think if there were flexibility in that to work within the $1.4 million with employees that could handle those particular positions would be more advantageous.

### INCREASED PERSONNEL COSTS

Senator McClure. Your detail of permanent positions on page 32 shows an increase of $40,000 for your 20 permanent FTE, from $710,000 to $750,000.

Is that in anticipation of a pay increase or is that assuming promotions?

Ms. Baker. I'd like for John to answer that question.

Mr. Fowler. Mr. Chairman, I think we'll have to provide that for the record.

Senator McClure. If you would, please.

[The information follows:]

The increase is attributed to the return of a GG-13 historic preservation specialist to our staff from a reimbursable detail with the National Endowment of the Arts, +$30,000; and to normal step, or within-grade raises, +$10,000.

### SECTION 106 REGULATIONS

Senator McClure. Ms. Baker, your testimony notes that final revised section 106 regulations are anticipated to be in place by the beginning of fiscal year 1987.

Is that still your estimate?

Ms. Baker. We are very hopeful about that.

Senator McClure. You started to say positive.

Ms. Baker. Well, I think positive and hopeful are one in the same. But I guess I prefer hopeful.

Senator McClure. You're positively hopeful.

Ms. Baker. That's right.

Senator McClure. Or hopefully positive. [Laughter.]

Ms. Baker. I would put them in either order, but we are hopeful.

If I can just give you an update as to what has happened with our 106 process in the proposed regulation. Recently, we have gone through, since I have been at the agency, we have been in the position to receive clearance from OMB, work with the task force, and in all of these exchanges and meetings, there has certainly been a number of compromises in the proposed regulation document.

That proposed document was—we did receive clearance from OMB and it was able, the proposed regulations were able to go into the Federal Register for public comment on October 14. We even provide an extension of another 30 days. Therefore, the closing date of the comment period from the public was January 16.

After that, we are now in the process of holding my first Council meeting the 24th and 25th of February, where all of this information and public comments have been delivered to our Council members so that they are able to digest the material and see what the flavor of public comments have been.

At that particular meeting, and during the deliberations, I think it's our obligation and responsibility to take into advice and to consider all of the public comments as they have been mailed to us. And we are very hopeful and positive that at this particular meeting we will not have a formal vote on the regulations because I think there's much to consider in the public comments. There are some very big issues. There are some sensitive ones. And I think we should be very thoughtful in our deliberations.

So my thought is that after that Council meeting, that we will have a session of the task force to refine and retune, if you will, the Council's comments into a final regulation proposal that we will then formally vote on, probably in our next quarterly meeting, which will be held in either the latter part of May or June. And at that point, we are looking forward to final regulations.

### NEW REGULATIONS AND ROLE OF ACHP

Senator McClure. Without prejudicing your right and responsibility to review all the comments before making final decisions, there are two or three issues that very obviously have caused major problems in the past, problems in terms of understanding the Council's role, reactions of other agencies in Government, the concerns that have led to what been an overlong hiatus, in my judgment.

Are those regulations likely to maintain the current 106 regulatory direction that Federal agencies have to take into account the impact of their actions on historic properties?

Ms. Baker. I think that that clearly is our mission and our obligation to Congress and to the President.

As I understand it, through the section 106 process, that Federal agencies are directed to take into account their federally assisted, federally licensed, and federally permitted undertakings and provide the Council a reasonable opportunity to comment.

I think that there are some very sensitive issues within that process, but that is our goal, to continue in the framework of which Congress has intended the 106 process to work.

Senator McClure. Will those regulations likely include a requirement for Federal agencies to determine the impact of their action on properties on the national register or on properties eligible for the national register?

Ms. Baker. Yes; I believe that that will be the case.

Senator McClure. Would it be fair to say in response to your question, and I know it's difficult perhaps at this time to answer, but does that indicate that the controversy is solved or still very much alive?

Ms. Baker. I think the controversy is still very much alive. Certainly, reading a number of public comments from Ramoga and some of the oil companies and again from some of the Federal agencies and some of the State historic preservation officers, the local governments, there are issues that are very important and very serious throughout.

And I think it's our mission to advise—take their advice and their consideration in a very thoughtful manner and a very deliberate manner to see how we can come up with something that is workable and reasonable and a balanced approach.

I don't think we're ever going to get to a situation where it's going to be the perfect document. But I think it's something that we can all be proud of and live with, and I think that's our mission as a Council.

## HISTORIC PRESERVATION BALANCE

Senator McClure. I'm not sure which way to ask this next question, whether to give you an example of what I'm thinking about or just ask you the question and let you wrestle with it and then come back with the example.

How do you draw the balance between the requirement to review and consider or to take into account and the role of the Council to prohibit actions that are adverse to historic preservation?

Ms. Baker. Go ahead, John.

Mr. Fowler. Mr. Chairman, I think it's important to note at the outset the Council has no authority, nor does it have a role, to prohibit actions that are adverse to historic properties.

What we attempt to do through the section 106 process is bring agencies to the table with State preservation officers and the concerned public to identify solutions that allow the agency to go forward with its project in a way that's least harmful to historic properties.

But in the end, Congress has not given us the authority, and we have not tried to create for ourselves the authority to tell an agency, you cannot do that.

## COST OF ALTERNATIVES

Senator McClure. Which is more time consuming for you, from the standpoint of your personnel, your caseload, your time and labor? Does it take more time to work with the agencies, making sure that they consider, take into account, or does it take more of your time to say, you can't do that?

Mr. Fowler. I think we have to look at the results that are achieved. I suspect that if we had the authority to prohibit actions and were not to expend as much time in carefully weighing options and to come up with some kind of balanced approach, we'd probably find a very strong backlash against the preservation regulatory system.

Senator McClure. I'm not really talking now about the philosophy. If you apply one philosophy that says you have authority and you can simply issue orders, as compared with one that says you don't have the authority to any more require them to look at it and to consider it, take it into account, which one takes more of your time and personnel time?

Mr. Fowler. We've never had an experience under the prohibitory scheme. I suspect that they would probably take about the same amount of time.

Mr. GARVEY. Mr. Chairman?

Senator MCCLURE. Yes, Mr. Garvey.

### EVOLUTION OF SECTION 106 PROCESS

Mr. GARVEY. Let me remark on that.

I watched the 106 review process grow up from the first year the Council had maybe two projects.

Senator MCCLURE. It was a painful birth and slow maturation. [Laughter.]

Mr. GARVEY. Yes; as a matter of fact, the birth of the preservation act wasn't easy, but some of you were very interested in this and it happened.

But I think the bottom line is that any device that would let a body constituted such as the Council is say to an agency, you cannot do that, within the next session of the Congress you would find a change in law.

The productivity of the preservation act has largely turned on the fact that this Council early on saw the wisdom of persuading agencies that their programs could go forward, accomplish their basic mission, while in some fashion conserving the cultural resources of this country.

I'll give you an example, and I won't go to Wallace, ID, this time. I'll go to Union Station. [Laughter.]

The Council looked at that when the Congress first said it should be made into a visitors' center. There wasn't great enthusiasm for that, but Congressman Gray somehow or another managed to accomplish that objective when the Washington Terminal Co., would have much preferred to sell that building into the public domain.

That wouldn't have fit the L'Enfant plan that we've heard about here this morning. But, anyway, when it was determined that it should be a visitors' center, the Council looked at the plans devised by the National Parks Service to make changes in the rail facilities, to add parking facilities, to accommodate buses, and to create an atmosphere where the visitor could learn about the city.

The Council found that while there would be some adversity connected with that first action, and this happened—it must have been 15 years ago—while there was some adversity, the basic outcome that had been envisioned by the Congress when designating that building as the visitors' center, would be met.

This time around, the Secretary of Transportation came back and said, we have a plan to change the mission of the building and we're responsible and these are the things that we're going to do.

Not only the Advisory Council, but other review people like the National Capital Planning Commission, found some problems with the first plan offered and these problems related to denigrating the historic and architectural character of the building through the private sector ventures that would take place there.

During a series of meetings that didn't take a great deal of time, compromise was reached. And there is consensus today that the conversion of the building back to a transportation facility with a good deal of private sector support through entrepreneurship will, in fact, accomplish what the Congress has once again said should happen.

Now, if at any point in time this Council had said, Madam Secretary, you just can't do that, we're going to say no, your phone would have rung in 30 minutes.

That didn't happen simply because it was a process of consultation that led to agreement among the bureau of the local government that is charged with these responsibilities, our own experience at the Council, and the Department of Transportation, plus the developers. They all came together and reached this agreement.

I would be quick to tell you that I think the proposed regulations in which you've had a great deal of interest—and I must say that you inspired the last round that has produced results and we are grateful that you did—that those regulations were sent out for review and comment by the public, and the Federal Establishment as well. If it can be amended to accommodate some of the refinements that the commentors have envisioned, that process under a new set of regulations will not alter the basic benefits that have existed under the old system that was one that grew up over 15 years, just bits and pieces added on as it was seen.

And so, going back to your basic question, I think you could probably instigate a system of veto that would take less time than the one of persuasion and consultation and arriving at the best decision by involving all the people.

However, I don't think it would last. I don't think it would be effective. And no one should, in my view, have the authority to tell the Secretary of Transportation how her responsibilities have to be carried out.

### EFFECT OF NEW REGULATIONS ON WORKLOAD

Senator McClure. I appreciate that statement and I share and I agree with what your conclusion is.

At the same time, I want to know whether or not that proposal, as embodied in the regulations that are likely to evolve from the current process, are going to increase or decrease the workload of the Council.

Mr. Garvey. Mr. Chairman, I don't think it's going to decrease the workload of the Council. There are provisions in the regulations that provide for agencies and States to come closer to agreement before we get involved in the situation.

However, I think there are other features that may numerically increase the number of projects that will come. There will be potential for decreasing the amount of time we have to spend on some. The potential is there for spending a bit more time on others. It will help us focus our attention, but in the final analysis, it's my personal view, and I'm sorry that I shan't be around to help oversee that, but it's my personal view that the system will take just about as much work. And in that connection, the biggest disappointment I had when OMB determined that our request for 1987 should be reduced to $1.417 million, was that when they gave us a ceiling of 25 people, they took away from management the opportunity to make decisions that might increase the number of full-time equivalents within the framework of the ceiling in dollars.

And if I had a last request with this committee, I think it would be to give my successor some relief on that point so that good management can prevail and find some way within that dollar figure to increase the bodies—because our work is all people work.

Senator McClure. I appreciate that statement. Sometimes parting shots are the best we get. [Laughter.]

I guess that's also preamble to say that there's a vote on on the floor. We're supposed to go on record as saying we like free elections and don't like Marcos, or something like that.

I'm going to have to go to the floor and vote on that. I think that might be an appropriate place for us to break on this and allow you to go to lunch and ask Mr. Billington if he can stay a little longer while I go over to vote and return for the closing session this morning.

Mr. Garvey. Mr. Chairman?

Senator McClure. Surely.

Mr. Garvey. While you're on the subject of what one likes and what one doesn't with regard to Marcos, or whatever. [Laughter.]

Senator McClure. Just how broadly are we going into what we like and don't like? [Laughter.]

Mr. Garvey. Let me say that it's been a great privilege and honor for me to come up here annually or otherwise and meet with you and the fine people that have been associated with this committee.

I'm glad it happened to me and maybe I'll come back and see you under a different set of clothes sometime.

## ACKNOWLEDGEMENT OF ROBERT R. GARVEY, JR.

Senator McClure. Well, I would not let this opportunity go by to express publicly my own appreciation for—what is it? Some 15 years of association with this effort on your part?

Mr. Garvey. I started out as the Chief Executive of the Council when the Congress authorized it, and that was in 1967.

Senator McClure. 1967.

Mr. Garvey. I'm the only man who will ever retire from the Federal Government from the same job that he came in on. [Laughter.]

Senator McClure. Well, that's remarkably persevering. [Laughter.]

There are some around here who just can't keep a job. [Laughter.]

Mr. Garvey. Well, it's not very ingenious about going ahead, but, anyway——

Senator McClure. We do appreciate and I think the public appreciates and has a reason to register our appreciation for your years of service in what has been a developing program, one that has evolved and had some really very, very good effects upon our national scene.

I want to express my own personal appreciation for the association we've had since I arrived on this committee, in particular.

Mr. GARVEY. Thank you very much.

## ADDITIONAL COMMITTEE QUESTIONS

Senator McCLURE. We will have some additional questions for submission for the record for response in writing. I appreciate your launching on this effort here and your first appearance before this committee.

Thank you very much.

Ms. BAKER. Thank you, Mr. Chairman.

Senator McCLURE. The committee will stand in recess, subject to the call of the Chair. We will then resume on the budget request for the Woodrow Wilson International Center for Scholars.

[A brief recess was taken.]

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

Question: What is your average cost per FTE?

Answer: The average FTE cost varies according to funds allocated to personnel, divided by the compensable work years. The average cost over FY 1985, 1986 and 1987 are as follows:

FY 1985 (a) Include SES $987,000 ÷ 33 = $29,909
(b) Exclude SES $987,000 - 132,500 ÷ 31 = $27,654

FY 1986 (a) Include SES $1,000,000 ÷ 35 = $28,571
(b) Exclude SES $1,000,000 - 133,600 ÷ 33 = 26,254

FY 1987 (a) Include SES $599,000 ÷ 25 = $35,960
(b) Exclude SES $899,000 - 133,600 ÷ 23 = $33,278

With a lower ceiling in FY 1987 we would be compelled to keep the more senior staff whose salaries are considerably higher than the newly hired and temporary personnel.

Question: What are your directions for developing a 1987 base estimate? I notice that you are restoring the 1986 reduction of $68,000 in your calculation of a base program for 1987. Why? Is that a base adjustment or should it be considered as an increase for 1987?

Answer: As our appropriation is funded through the Department of the Interior and Related agencies, we follow Interior guidance on format and presentation of the budget. The Director of Budget, DOI issued instructions to restore the 1986 Gramm/Rudman/Hollings reductions as a single adjustment to the 1987 base. Therefore, the 1987 base budget of $1,575,000 simply reflects the original 1986 appropriation, or Continuing Resolution before the G/R/H cuts were imposed.

Question: Your justification does not provide much information about the impact of these FTE reductions (p. 14 and p. 31). What is the difference between a program at FTE levels of 25, 33, and 36?

Answer: The distribution of FTE between Council Direction and Cultural Resource Preservation would be:

| | | | |
|---|---|---|---|
| Council Direction | 10 | 12 | 14 |
| Cultural Resource Preservation | 15 | 21 | 22 |
| TOTAL | 25 | 33 | 36 |

In the Council Direction Unit the following activities could be performed at the given FTE levels.

| | 25 FTE | 33 FTE | 36 FTE |
|---|---|---|---|
| Council Meetings | | | |
| Full | 2 | 3 | 4 |
| Task Force | 3 | 6 | 8-10 |
| Annual Report | | | |
| Summary | 1 | 0 | 0 |
| Comprehensive | 0 | 1 | 1 |
| Training Course | 2 | 12 | 15 |

Council staff now teach 90% of all training courses. With availability of contract instructors at an all-time low, a ceiling of 25 would make the Council unable to offer more than 2 courses per year. Even that would be jeopardized if the Council were not able to provide administrative support for training. Although demand for training is currently outpacing our course offerings, remaining Council staff would be required to give casework priority over training.

The effectiveness of the Executive Director and the General Counsel would be severely restricted at the lowest employment level. Current problem solving would leave little time for planning improvements and other initiatives.

In addition certain activities which are difficult to quantify would be curtailed. For example, our newly established Preservation Awards program in which deserving individuals and organizations are recognized for excellence in federally assisted historic preservation would be eliminated at the 25 FTE level. Also participation in international cultural activities would be limited even though, by law, we are required to advise the Secretary of state on U.S. participation in the International Center for the Study of the Preservation and Restoration of Cultural Properties (ICCROM).

In Cultural Resource Preservation the following estimates are derived from our budget estimate (36 FTE), our budget justification (25 FTE), and extrapolation and assumptions about priority setting at 33 FTE. The following material is presented with reference to the three major objectives of the Office of Cultural Resource Preservation: Review of individual cases under Section 106, cost-effectiveness review, and program improvement.

## Individual Cases Reviewed Under Section 106

(See budget justification, p. 18 for definitions)

| | 25 FTE | 33 FTE | 36 FTE |
|---|---|---|---|
| Carryover from FY 1986 | 300 | 300 | 300 |
| New projects received | 3,900 | 3,900 | 3,900 |
| Projects screened | 2,500 | 2,250 | 1,500 |
| Projects Reviewed | 1,700 | 2,100 | 2,700 |
| Advice offered | 200 | 600 | 1,200 |
| Substantial review conducted | 1,500 | 1,500 | 1,500 |
| No adverse effect, unconditional | 550 | 600 | 600 |
| No adverse effect, conditional | 70 | 150 | 170 |
| Memoranda of Agreement | 275 | 395 | 425 |
| Referred to Chairman | 5 | 5 | 5 |
| Carryover to FY 1988 | 600 | 350 | 300 |
| Post-agreement review | 50 | 200 | 400 |

Summary: With 25 FTE about 1,000 more projects would be "screened" (i.e. given little or no substantive review) than with 36 FTE, while advice would be offered on about 1,000 fewer projects. About 300 more cases would have to be carried over to FY 1988 with 25 FTE than with 36; these would be weighted toward complicated cases involving conditional no adverse effect determinations and Memoranda of Agreement. About 350 fewer projects would be subjected to post-agreement review with 25 FTE than with 36. With 33 FTE performance would probably approximate the 36 FTE level, with some slippage as indicated in the table, but highest priority would be given to maintaining performance levels in the substantial review of projects submitted, with consequently lower performance in provision of advice and post-agreement review.

## Cost-Effectiveness Review

At 36 FTE we could improve cost-effectiveness review by placing an individual in each Division in charge of cost-effectiveness coordination and assigning a percentage of his or her time to this function, absorbing a percentage of the coordinator's casework through the addition of one assistant Historic Preservation Specialist in each Division. A target of $5 million in savings would be pursued.

33 FTE would allow us to continue our current, ad hoc cost-effectiveness review, with no coordination of the effort. Experience indicates that savings of $2 million to $3 million might be realized.

At 25 FTE we would eliminate cost-effectiveness review

## Program Review Products

| | 25 FTE | 33 FTE | 36 FTE |
|---|---|---|---|
| Counterpart Regulations | | | |
| Initiated | 0 | 0 | 0 |
| Published | 0 | 0 | 0 |
| Programmatic Memoranda of Agreement | | | |
| Initiated | 10 | 30 | 30 |
| Concluded | 15 | 20 | 25 |
| Council Guidance Documents | | | |
| Initiated | 0 | 1 | 4 |
| Concluded | 1 | 2 | 5 |
| Substantive Review pursuant to Programmatic Memoranda of Agreement | 30 | 100 | 120 |

Summary: It is not expected that any counterpart regulations will be developed regardless of Council FTE level. With 25 FTE there would be a significant reduction in the number of Programmatic Memoranda of Agreement developed, virtually no Council guidance documents would be prepared, and substantive review under Programmatic Memoranda of Agreement would be severely curtailed. With 33 FTE, a level of performance not far below that with 36 FTE could be maintained in the high-priority areas of Programmatic Memorandum of Agreement development and substantive review under such agreements, but production of guidance material would remain depressed.

Question: Would you please review for us the contents of the revised regulations -- do they, for example, maintain the current 106 regulatory direction that Federal agencies have to "take into account" the impact of their actions on historic properties? Do they require Federal agencies to determine the impact of their action on properties on the National Register or on properties eligible for the National Register? What are the other major changes to the 106 regulations?

Answer: In the preamble of our Federal Register notice, we have summarized the major changes to the Section 106 regulations. That materials follows:

Summary of Major Changes

1. A new section § 800.1(c) has been added delineating the general roles of the participants in the Section 106 process. Special attention has been given to encouraging the participation of Native Americans, in response to the American Indian Religious Freedom Act. (42 U.S.C. Sec. 1996).

2. Provisions to encourage active involvement of the public has been included throughout.

3. Agencies are encouraged to deal programmatically with classes of similar historic properties that may be affected by an undertaking in a uniform manner, thereby resulting in routinized methods of treating commonly occurring effects.

4. The Council is concerned that its regulations primarily be of assistance to agencies in complying with Section 106 and not be the source of extensive litigation regarding whether agencies have complied with each and every procedural aspect of these regulations. To that end, the Council has included express language in § 800.3 making clear that the procedures set forth in §§800.4 (Identifying Historic Properties) and 800.5 (Assessing Effects) should be implemented "in a flexible manner reflecting differing program requirements;" and that the requirements of these Sections "are satisfied where the agency has substantially fulfilled "the purposes of" Section 106 and these regulations. The Council does not intend for this provision to be hortatory. It is particularly interested in whether its policy formulation as expressed in § 800.3 accomplishes the Council's intended purpose of ensuring that compliance with §§ 800.4 and 80.5 is flexibly determined on the basis of whether the broad purposes of the statute and regulations have been met. The Council also solicits comments on any other formulations or regulatory approaches which would accomplish this.

5. Eligibility determinations are simplified by accepting determinations jointly made by the agency and the SHPO instead of requiring subsequent review by the Department of the Interior. The Department is supporting this revision.

6. The definitions of "effect" and "adverse effect" in the present regulations have been revised and simplified, as have the review steps when impacts on historic properties fall below a certain threshold (§§ 80.4(b) and 800.9).

7. Major restructuring of the Council commenting system is proposed to reduce demands on Council resources and to relate the degree of Council review more closely to the complexity of each case and the extent of conflict. Primary emphasis is placed on consultation between the Agency Official and the state Historic Preservation Officer to accommodate historic preservation values with project needs. Numerous innovations are proposed in these provisions to reduce paperwork and time requirements.

8. Section 800.6(d) contains a new provision concerning the Council's opportunity to comment. Public comment is invited on the applicable standard for determining substantial compliance by the agency with § 800.6.

9. A new section (§ 800.7) provides for states to enter into agreements with the Council to substitute State review systems for the normal Section 106 review process. This is designed to encourage the use of state processes to deal with federal project impacts.

10. A new section (§ 800.11) has been added to implement Section 110f of the National Historic Preservation act, providing a greater degree of Council involvement when undertakings affect National Historic Landmarks.

11. A new section (§ 800.12) has been added for emergency situations.

12. The documentation requirements have been revised to make them more flexible. (§ 800.8)

Question: Last year, Chairman Aldrich listed 5 activities or functions which, in his judgment, would be the proper functions for Federal agencies to perform. I will list these 5 below and would ask you to indicate which would be operational under the revised guidelines:

> The first one is requiring the Federal agency to identify historic properties.
>
> The second requires the Federal agency to evaluate the effects of its actions on those historic properties.
>
> The third requires the Federal agency to consult with other parties -- the State historic preservation officer, local government, the public.
>
> The fourth requires the federal agency to consider alternatives to its adverse effects.
>
> And the fifth one requires the Federal agency to consider measures to mitigate these adverse effects.

Answer: Under the revised regulations, these five functions are maintained as the essential elements of the Section 106 process. This was an integral part of the compromise reached last year permitting revised regulations to go forward. There are variations in the actual procedure used to meet these requirements, which distinguished the proposed regulations from our current regulations. Many commenters expressed concern that these language changes might be interpreted by Federal agencies as lessening their obligations, particularly those concerning consideration of alternatives to adverse effects and mitigation measures. We are currently redrafting the regulations to meet these concerns and reinforce the commitment to those five elements.

Question: You also show that you can save $141,000 by eliminating 11 FTE-part time. How is that possible? What is your average cost per part-time FTE? By my calculation, these would work out to $12,800 per part-time FTE, while your 1986 base column indicates that it costs $17,000 for each of your 16 part-time FTE.

Answer: In displaying our budget in total and by object class we chose to use the ceiling figure established by the Office of Management and Budget instead of the actual FTE. Ceiling is the ideal but, unfortunately its use in lieu of actual FTE presents a confusing picture. For example in FY 1986, we cannot afford to pay 16 FTE of other than permanent employment; we can afford about 12, and we should have displayed it that way. Then in FY 1986 your calculation would have been approximately $24,000 per other than permanent (incidentally the category "positions other than permanent" includes full-time temporaries, part-time temporaries and permanent part-time personnel). For 1987 the actual cut should be 7 FTE and not 11 FTE. The calculation would then show $141,000 - 7, or about $21,000 per positions other than permanent.

Question: The Committee has received a letter from the Administrator of the Federal Highway Administration alleging that the Council "plays a regulatory role and plays it with relish," and that your method of comment and consultation is a "process of approval." Please review the letter and respond to these charges.

Answer: Mr. Barnhart's letter of February 19, 1985 reflects a fundamental difference in perceptions about the Section 106 process. Mr. Barnhart, like some other agency officials, believes that the Council should simply comment on whatever an agency chooses to tell it about an undertaking. The process embodied by our regulations, however, is one of consultation, in which we seek to identify and resolve conflicts between historic preservation and development. We obviously cannot carry out such a process without questioning the information and assertions given us by agencies where we detect possible problems. Given Mr. Barnhart's perception of what the process ought to be, however, it is not surprising that he finds any criticism, request for additional information, or request that a statement be supported by evidence to be an improper attempt by the Council to regulate FHWA's activities.

At the end of his letter, Mr. Barnhart notes that in responses by State Historic Preservation Officers to the House Subcommittee on Public Lands' questionnaire, FHWA was rated quite high overall. We agree with the SHPO's perception: on the whole, FHWA has done a good job of internalizing both Section 106 review and the specific historic preservation responsibilities of Transportation agencies under Section 4(f) of the DOT Act, and making sure that its decisionmakers carry out their responsibilities in an orderly way. However, there are both geographic and programmatic "soft spots" in FHWA's record. One of these is the Hawaii Division of FHWA, and another is FHWA's approach to public participation in decisionmaking.

The Hawaii Division of FHWA appears almost invariably to defer to the judgment of the Hawaii State Department of Transportation. The State DOT characteristically takes an extraordinarily narrow view of FHWA's responsibility under Section 106. We are currently involved in two major cases with the Hawaii Division: the Ali'i Drive project and Interstate H-3 on Oahu. In the H-3 case, the Division learned over a year ago that an important archeological complex lay within its right-of-way. Despite encouragement from the Council to initiate Section 106 review so that the matter could be addressed directly, FHWA has delayed initiating consultation. Instead it has authorized the State DOT to undertake extensive additional studies which appear to be aimed at either defining aspects of the complex out of existence by excavating them, or at defining boundaries so narrowly that the highway can be designed to snake around the remaining components of the complex, allowing FHWA to avoid invoking Section 4(f). In the course of this effort, FHWA and the State authorized withholding information on the complex from local elected officials as well as from the public and the Council. Ostensibly, the information was withheld to prevent vandalism of the complex, but State transportation officials did not hide the fact that they did not want the information to fall into the hands of project opponents.

A similar approach has been taken in the case of Alii Drive, where rather than recognize impacts on the overall Kona Field and Kahalu'u Historic Districts as whole entities, the Division has looked only at avoiding direct damage to particular features, such as temple platforms and burial caves. We pointed this out as a problem, and insisted that FHWA look at all the project's effects on historic properties, rather than simply those that could effectively be avoided. It should be noted that in taking this position, we were supporting the position of the Department of the Interior which has made similar comments when reviewing the project under the authority of Section 4(f).

With regard to public participation, FHWA's tendency is to take a very static approach, in which it announces its plans, receives public views, considers them, and makes its decision. There is little opportunity for discussion to clarify and resolve issues. In short, though FHWA definitely provides for public participation in a manner that meets legal requirements, such provisions often tend to be pro forma. As noted above, we try to ensure that the Section 106 process is an open one that actually identifies and resolves issues; as a result we are often critical of FHWA's public participation activities. Again this varies geographically; some Divisions are quite open to public concerns and seek to resolve them, while others meet minimum standards but nothing more. The Hawaii Division is among the latter.

Mr. Barnhart's suggestion that our concern about communication with native Hawaiians is an "unmitigated insult to the Hawaiians" is misinformed. It is no insult to practitioners of cultural systems different from those of Euroamerican tradition to seek a public participation process that is sensitive to their cultural values. A good public participation process, particularly where cultural issues are involved, should be flexible enough to relate to the cultural systems of those who hold historic properties dear. Given the rigidity of FHWA's general approach to public participation, it is no surprise that Mr. Barnhart is "at a loss" as to what "mysterious communication technique" would be effective. The professional literature in applied anthropology and social impact assessment provides helpful guidance about such techniques. As a start, FHWA might try outlining the likely effects of the project on historic properties to the Office of Hawaiian Affairs, the State agency that concerns itself with native Hawaiian issues in the State of Hawaii.

In summary Mr. Barnhart's letter presents a basic disagreement between the Council and FHWA about the purpose of Section 106. In our view the Hawaii Division has, thus far, not done a good job of taking effects on historic properties into account; we see it as the Council's role to point out deficiencies and seek their correction, not by regulatory fiat, but by direct and informed advice and dialogue. We see Section 106 review as a mechanism, short of the courts, by which deficiencies can be surfaced and corrected. Rather than addressing the deficiencies, however, FHWA has chosen to excoriate us for identifying them, and insists that in doing so we go beyond the role assigned us by the law.

# WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

**STATEMENT OF JAMES H. BILLINGTON, DIRECTOR**

**ACCOMPANIED BY:**
**PROSSER GIFFORD, DEPUTY DIRECTOR**
**SAMUEL F. WELLS, JR., ASSOCIATE DIRECTOR**
**JON E. YELLIN, ASSISTANT DIRECTOR FOR ADMINISTRATION**

### BUDGET REQUEST

Senator McClure. The committee will come to order.

I recognize that every once in a while casual comments not intended to be part of the public discussion record are nevertheless embedded there. The resolution didn't say we don't like Marcos. It was carefully neutral on that subject. [Laughter.]

We just did not like the outcome of the election. [Laughter.]

The fiscal year 1987 budget request for the Woodrow Wilson International Center for Scholars totals $3,266,000, a decrease of $1,100,000 below fiscal year 1986 appropriations to date. Of the amount appropriated for fiscal year 1986, $145,000 is subject to sequestration.

### PREPARED STATEMENT

Mr. Billington, we again welcome you before this subcommittee. Your complete statement will be included at this point in the record.

[The statement follows:]

## STATEMENT OF JAMES H. BILLINGTON

The Wilson Center's 15th anniversary year, 1985, marked an era of considerable accomplishment by this living memorial to our 28th President. For 15 years, the Wilson Center has aspired to be a place where scholars put things together within an academic profession that generally prefers to take things apart, a place to think about global trends in a city that responds basically to short-run domestic politics, and a place to seek out tentative answers to important questions rather than definitive answers to lesser ones. Moreover, following the concept detailed in our enabling legislation, the Center has built its programs on a foundation of public and private support. Our future strategic planning continues to emphasize this public/private partnership.

### Dissemination of Research Results

Since 1970, when the Center first opened its doors to fellows, over 1,050 fellows and guest scholars have worked on projects of original scholarship here in Washington, accounting for 313 books and many more articles, essays, and working papers. In 1984-85 alone, 44 major works were published as a result of Center research, including Walter A. McDougall's The Heavens and the Earth: A Political History of the Space Age, John Noonan's Bribes, and Karl Dietrich Bracher's The Age of Ideologies: A History of Political Thought in the Twentieth Century.

Ideas generated at the Center are shared with the nation through Radio Dialogue, a series of half-hour programs that the Center produces, relying largely on its fellows and guest scholars. Begun in 1983, and funded entirely with foundation grants, Radio Dialogue has recorded 104 shows to date. The program is distributed free of charge to more than 170 members of the Longhorn Radio Network--up from 106 a year ago--and to some 260 affiliates of National Public Radio. In addition, Radio Dialogue fills increasing numbers of cassette orders, mostly from interested individuals, libraries, universities, and secondary schools, and it is now heard regularly in major listening areas--New England, Washington, D.C., Chicago, New York, San Francisco, Rochester, Omaha, Miami, Pittsburgh, Cincinnati, and Madison, Wisconsin. Among the 44 shows produced in 1984-85 were programs on "Egyptian-Israeli Relations since Camp David," "American Military Preparedness in Europe," "Religious Values, Public Policy, and Contemporary Catholicism," "The Brazilian Economy: Paths to Recovery," "Public Interest Lobbying," and "China and the West: The New Opening."

The Wilson Quarterly, now entering its 10th year, now publishes five issues a year for its nationwide readership. Its paid subscription of 110,000 is the highest of any quarterly journal in the United States. Financed completely with private monies, mainly from subscription revenues, the Quarterly draws heavily upon the scholarly life of the Center.

The Center's busy meeting schedule is another form of successful outreach to a broader audience. The Center sponsors approximately 20 multiday conferences and some 200 shorter meetings and seminars annually which are attended by approximately 7,000 people. The Center's monthly calendar of events and short reports of key events for the previous month are distributed to some 5,000 friends of the Center, including all members of Congress.

The core resources, proven experience, exceptional location, and network of alumni and friends all assure that the Wilson Center conferences are likely to be of major importance. These meetings continuously connect the scholarly world of ideas with the practical world of public affairs. The Wilson Center's established links to a broader public assure that conferences receive wide attention through the Radio Dialogue series and the Center's ongoing publication program, including the Quarterly.

A particular highlight of FY 1985 was the major conference--held in September at the Center--that assessed the recent first decade of Spanish democracy. Spain's role in the European Community and its participation in NATO were examined as consequences of the Spanish transition to democratic rule.

The lively participation of Spanish Prime Minister Felipe Gonzalez and a number of past and present cabinet members in the discussions of this conference in Washington attests to the Wilson Center's ability to attract principal policymakers to discuss current issues--and to reflect upon the shape given them by the past.

## Historic Congressional Appropriations for FY 1986

The historic congressional decisions last year to appropriate a sum of $994,000 for an endowment challenge fund and an additional amount of $487,000 for conference development have provided new opportunities for the Center. As a result of congressional initiative, we are moving ahead enthusiastically with our endowment plans, and our FY 1986 major conference schedule is the most active in our fifteen-year history.

### A. Endowment Planning

Greatly encouraged by the federal support this year in the form of the endowment challenge fund, the Center has established an investment-policy committee. We now are in the process of selecting our own investment manager as we prepare for a major endowment campaign.

Our goal is to build an endowment fund of $12 million to $15 million over the next three to five years. A fund of this magnitude would earn sufficient interest to cover approximately one-half of the funds currently devoted to outreach activities. The balance will continue to be raised from outside fund-raising and will continue to represent about one-half of the funds that we will need to raise each year outside of annual federal appropriations.

Financial support from an endowment will permit our small staff to concentrate more time and energy on long-range planning and on development of the Center's intellectual agenda and outreach program. This enhanced capability will help both to ensure the sustained intellectual quality of all our endeavors, and to assure that the range of people involved in our meetings and receiving our proceedings is expanded as widely as possible in Washington and throughout the country. An endowment will give stability to our programs and provide us with control over our agenda, independent of the short-term priorities of private donors.

I am pleased to report that a major endowment gift was announced on the occasion of the Center's 15th anniversary in late October 1985: Japanese corporations and industrial federations donated $1 million toward an Asia Program endowment for Japan-related activities at the Center. Friends of the Kennan Institute for Advanced Russian Studies have also raised an endowment of approximately $1 million, under the chairmanship of Ambassador George F. Kennan.

### B. Conference Development

The FY 1986 appropriation for conference development represents a major breakthrough in the Center's ability to plan and develop significant conferences. In FY 1986, for the first time, the conference program is a secure part of the presidential memorial. Previously, the uncertainty of private fund-raising efforts coupled with the need for advance planning have resulted in many foregone opportunities, the unfortunate need to reduce the scope of several conferences, and inadequate dissemination of results.

The Center's FY 1986 conference schedule that we have planned with the crucial assistance of federal monies consists of 19 conferences on a wide variety of subjects. These range from intellectual history to issues of contemporary public policy and geographically span North and South America, East and West Europe, and Asia. Notably, we will augment federal funds allocated to FY 1986 conferences with a significant amount of private money.

The federal conference appropriation permits the Center for the first time to commission major conference reports in advance by serious scholars and to disseminate widely the results of conferences on a timely basis. The appropriation for conference development thus assures that the scholarly standards and independence of the fellowship program will be fully reflected in the Center's meeting and outreach activities.

The specific conferences and funding assigned to each are detailed in our budget submission. Here I highlight just a few examples:

The initial conference, "Assessing American Options with the Philippines" held at the Center on February 3, 1986, placed the Philippine situation in an American political context at a crucial time in U.S.-Philippine relations. Featuring as speakers a member of Congress, the Under Secretary of State for Political Affairs, and an academic expert on the Philippines, a wide spectrum of ideas was presented about U.S. approaches to the presidential election and possible outcomes. Two publications will result from this exciting and important conference.

At a second conference, held on February 9-11, 1986, 30 leading West German and American policy-makers from the respective governments, industry, and academe met to assess East-West relations after the Reagan-Gorbachev Summit in Geneva. The discussion focused particularly on the outlook for Western trade with the U.S.S.R., and West Europe's relationship to the Soviet-American strategic equation.

Later in February, in collaboration with the Harvard "Project on Avoiding Nuclear War," the International Security Studies Program will sponsor a workshop--"Alternatives to Deterrence." Among the possible future alternatives for Western policy that will be examined is the possible use of non-nuclear strategic weapons as a means to reduce reliance for national security on massive assured nuclear destruction. Included in the small working group of experts will be the leadership of the Harvard Project, key members of Congress, and the Wilson Center's own specialists on both nuclear weapons and the Soviet Union, as well as scholars and technicians from industrial and consulting firms.

"Strategic Defense and Soviet-American Relations" will be the subject of a two-day conference in March that will be attended by some 50 specialists working on the issue of strategic defense. This meeting aims to improve the quality of the debate on strategic defense by exploring the underlying assumptions that drive the arguments in favor of or against the development of space-based defensive systems. The papers prepared for this meeting will be published as the "Proceedings" of the conference, and conference results will also be recorded for inclusion in the Radio Dialogue series.

A conference on the half-century of diplomatic relations between the United States and the Soviet Union, scheduled for June 1986, is designed to be the first in a series of meetings that will encourage parliamentarians of the United States and the Soviet Union to discuss serious issues with major scholars on a continuing basis. These meetings result directly from proposals made by a leadership delegation of the House of Representatives during an official visit to the Supreme Soviet of the U.S.S.R.

A conference on the Soviet Union and Marxist revolutions, scheduled for September 25-26, 1986, will examine the record of Soviet successes and failures with regard to Third World Marxist revolutions, the instruments of Soviet support to revolutions, several case studies, the Western response, how Soviet involvement in these revolutions has changed over time, and what lessons the Soviets have learned. This is an especially important subject because there are several Marxist insurgencies currently taking place that the U.S.S.R. supports to a greater or lesser extent. It is essential to understand what factors have contributed to Soviet successes and failures in the past in order to analyze how the Soviets are likely to fare in the present insurgencies as well as how the West can act most effectively to preserve its interests.

The international conference on Burma, to be held this summer, deals with studies of a nation now seeking closer cultural and political ties with the United States. Burma has isolated itself and as a result has largely been ignored in this country. Burmese studies have languished: There are only 10-20 competent Burmese-language specialists in America. This will be the first international conference on Burma ever, and three publications will result.

In July 1986, the occasion of the 100th anniversary of the gift from France to the United States of the Statue of Liberty will be an appropriate time to consider how "Liberty"--a fundamental term in the democratic lexicon--has been variously interpreted over the last two centuries in France and the United States. The conference, "The Concept of Liberty: Its Development and Meaning in France and the United States," will inject a serious scholarly component into what has become a largely commercial celebration. This conference will have two parts: the first in Washington in July, a second in Paris in October.

"Minds without Borders," to be held on the 40th anniversary of the Fulbright Program, will commemorate the largest academic exchange program in world history at a time when international exchanges are again being recognized as a major element of creative public policy. As in so many areas, the Center will build here on prior experience with the international conference commemorating the 30th anniversary of the same program in 1976 and with the major Wilson Center conference on Soviet-American exchanges that President Reagan addressed in June 1984.

This groundbreaking conference support that congressional appropriations provided in FY 1986 has permitted our program Secretaries to spend their time planning and perfecting meetings in a timely fashion, using the special advantages that the Center offers. With these funds, our small staff has not had to devote its energy to the exhaustive annual fund-raising for the meeting program which has prevented us from taking full and timely advantage of opportunities in the past.

## Administrative Support

Our FY 1987 request underscores the need for a modest but, to the Center, highly significant increase for basic items of administration. An analysis of available funding for administrative support compared with actual costs demonstrates that we have been operating under a deficit situation in recent years. This deficiency is being covered with private monies.

Two undesirable consequences flow from using private monies to meet core administrative expenses. One is that the Center's pool of unrestricted monies has become badly depleted. Second, in order to raise the essential administrative support funds, our fund-raising efforts have been deflected, in part, from a larger programmatic focus. Thus, the strengthening of the Center's central administration constitutes a major priority in this year's budget request, and an additional amount of $292,000 over the FY 1986 appropriation is sought for this purpose.

The proposed increase would (a) correct a continuing funding deficit for such essential items as supplies, communications, and basic office equipment; (b) further the Center's office-automation program initiated, with congressional support, in the current fiscal year; and (c) strengthen the administrative support staff.

Although the number of fellows and guest scholars at the Center has increased from 36 in FY 1979 to more than 80 in FY 1986, and the number of multiday meetings from 7 in 1979 to 19 this year, we have refrained throughout this period from seeking major increases for our basic administrative structure. The situation now has reached the point where our small central staff cannot keep pace with the critical requirements of administering the Center without an infusion of additional resources. In short, our current administrative budget cannot sustain the quality of our substantive programs. The requested increase in core administration would support the level of activity currently under way, and even at the proposed level would still be less than that provided by institutions for advanced study elsewhere.

To hold down federal costs, we continue to share the administrative burden with nonappropriated monies. Specifically, the private-funds reimbursement to the Smithsonian for certain administrative services is more than two times the amount provided through the federal appropriation. Our fiscal assistant, special-events coordinators, and an administrative secretarial position are all supported by overhead fees from grants received by the Center. During this past year, we also sought and received contributed monies for a comprehensive office automation study so that federal monies for office automation would be used with maximum effectiveness. Most recently, we have added a staff accountant/computer specialist, paid from private funds, in order to institute our own critically needed automated accounting system. The modest infusion of federal funds sought in this request will help us complete the rebuilding of a responsive and responsible central administrative operation.

## The Center's Contribution

The Wilson Center has come to play a unique role in Washington as one of three national institutions specially founded by the Congress under the broad umbrella of the Smithsonian. Just as the National Gallery deals with the visual arts and the Kennedy Center with the performing arts, so the Wilson Center deals with the intellectual arts and plays a unique role in bringing thinkers together with people of affairs. Located as we are amidst the Smithsonian's great repositories of human memory, the Wilson Center has played an important role in bringing the cultural and historical dimensions of human experience to bear on present-minded debates about international problems. This Center is a focus for national and international dialogue in a whole variety of areas of international concern. It may be too much to hope that the next fifteen years, leading up to the year 2000, will leave my successor with an agenda that speaks less about old quarrels and more about the new common opportunities of humanity. But I hope that this small Center will play a role in helping this to happen--and that it will have in the future such good supporters as it has had in its first 15 years--above all, from you in the Congress who have created and sustained us and also from the Trustees who have guided and encouraged us and from the other donors who have supported us. Mr. Chairman, I and my staff will be pleased to answer any questions that you and the members of this subcommittee may have.

## INTRODUCTION OF ASSOCIATES

Senator McClure. If you'd please introduce your associates at the table, we'll then proceed directly to the questions.

Mr. Billington. Thank you, Mr. Chairman.

Prosser Gifford—Dr. Gifford is, of course, the Deputy Director of the Center. To his left, Dr. Wells, Samuel Wells, who is the Associate Director of the Center, also head of the new European Institute and of the International Securities Study Program. And to my right, Jon Yellin, our new Assistant Director for Administration and our Chief Financial Officer.

We also have some others, including Dr. Morse, the head of our Asian Program, I should say. That includes South Asia as well.

So that is our team, Mr. Chairman.

### ENDOWMENT FUND EXCLUSION

Senator McCLURE. Thank you very much.

The justification indicates that none of the funds available for the endowment challenge fund have been sequestered. If that is not an error in the justification, what's the reason that that activity has been spared.

Mr. BILLINGTON. That, Mr. Chairman, was an OMB basic determination and I think what they had in mind was that this was a rather special fund that was not part of the operating budget. But in any case, it was their determination.

Senator McCLURE. I don't necessarily disagree with the result. I'm just interested in the intellectual process that produced it.

Mr. BILLINGTON. Yes.

Senator McCLURE. But you satisfied me it was OMB.

Mr. BILLINGTON. Yes, sir.

Senator McCLURE. Therefore, it wasn't necessarily a part of the intellectual process. [Laughter.]

Mr. BILLINGTON. We have to deal with so many intellectual processes from so many parts of the world, Mr. Chairman, we didn't try to penetrate that.

### CONFERENCE AND ENDOWMENT FUNDS

Senator McCLURE. While the total request is below the fiscal year 1986 level, the amounts requested for ongoing center activities are 15 percent above the current appropriated level and 20 percent above the adjusted 1986 level. Omitted from this calculation are funds for conference planning, the challenge fund, and the one-time tower renovation costs.

The House had been under the impression that conference planning funds were the Center's highest priority, while this committee honored your desire for an endowment challenge fund.

Why is it that you chose to discontinue both of these activities in fiscal year 1987 while adding funds in other areas?

Mr. BILLINGTON. Well, Mr. Chairman, I wouldn't exactly say that we chose to discontinue them. Of course, the one-time tower renovation cost was just that—one time.

We did submit for both of these elements, and, indeed, appealed when they were cut out. But it was not allowed by OMB.

We feel that fiscal year 1986 was a milestone year. It enabled us to plan a set of conferences, as we've indicated in our justification here, that are quite, I think, extraordinary in scope—and, to realize the special opportunities that are now coming before us almost daily, for some outstanding conference possibilities. And, of course, the endowment challenge fund has been a very important incentive for the long-range potential and increased capability on the private side for our national outreach, which is so central and which, of course, has dramatically increased with the now weekly radio broadcast reaching 387 stations free of charge.

So we were very anxious to continue both of these activities and are confronted with quite a substantial problem in adjusting to reducing them.

### OMB REDUCTIONS

Senator McCLURE. Well, as I indicated, I think the House identified one as your priority. We identified the other. Neither is here today, which would indicate our judgment of last year was wrong.

Is that correct? They are not your priorities?

Mr. BILLINGTON. No, sir; they are our priorities. Our appeal to OMB was not allowed.

Senator McCLURE. Well, everything else is of higher priority then?

If something drops out—you don't drop out your highest priority. You leave in your highest priorities. They're still very desirable, but they're not your highest priority.

Is that correct?

Mr. BILLINGTON. Well, I wouldn't exactly say that. We weren't exactly given the choice, Mr. Chairman.

Senator McCLURE. You were not permitted to put these in at any level?

Mr. BILLINGTON. We were simply not permitted.

Senator McCLURE. That's what the record ought to reflect.

Mr. BILLINGTON. In fact, from our original submission, there was a total reduction of $3,767,000, which is considerably larger.

Senator McCLURE. In other words, this budget, as it's presented to us, doesn't state your priorities; it states OMB's priorities for you.

Mr. BILLINGTON. Yes, sir.

### FELLOW SUPPORT COSTS

Senator McCLURE. Mr. Billington, in testimony before the committee last year regarding office automation and the economies that could be expected, and I want to get back to that, economies that could be expected from automation, you said last year you're getting economies in scholar support costs and pointed out that support costs for individual scholars had fallen by more than $200 per person since 1983.

The fiscal year 1987 budget request includes $294,000 for scholar support, which is up by $2000 per fellow.

I'm not sure that that indicates an economy, or if it does, how much economy can we afford?

Mr. BILLINGTON. I think it indicates a little bit of confusion, Mr. Chairman and, with all due respect, not, I think, on our part.

The increase is $61,000, scholar support categories, you'll see on page 8, and there are really only two elements there; the library and the research assistants categories. The $294,000 is the total proposed in the scholar support. It isn't the increase. The increase is only $61,000, of which, excluding just the personnel cost, the only two substantive items there are the library and research assistants.

I should say that our basic scholar support per fellow and scholar is really substantially less than comparable institutions elsewhere, even to begin with. So these increases are, I think, long overdue and represent areas in which we virtually increased very, very little over the years.

Senator McClure. Are you suggesting to me that while we had from 1983 through 1985 seen a decrease in that scholar support, you find it necessary in the budget this year to reverse that trend?

Mr. Billington. Yes, sir; but the reversal is not as dramatic as the question would indicate. It's a small element, $61,000 rather than $294,000.

Senator McClure. Well, I understand that, but it's $2,000 per fellow higher than current budget.

Mr. Billington. Well, yes, Dr. Gifford.

Mr. Gifford. Senator, I think part of the difficulty here is that the request, the increases that we are requesting, are not really linked to the automation savings which were part of the question.

What is being requested here is books, essentially library support, and support for research assistants who are largely graduate students in the Washington area who we had not calculated in that figure at this amount.

So that it is true, we are requesting an increase, but these are not the kind of costs that I believe we were talking about last year in the testimony that you referred to in the question.

Senator McClure. They are a part of the cost of the fellowship program, though, aren't they?

Mr. Gifford. They're part of the cost of supporting research by fellows, yes, sir.

## OFFICE AUTOMATION

Senator McClure. In a similar vein, last year you told us that the Center worked with IBM and the Smithsonian to develop the requirements of the costs of the new computer system which would cut overhead. This year's justification states that the Center contracted with an office automation consulting firm which just finished its review this month.

Last year's plan was for installation of six personal computers and nine dumb terminals, one central processing unit and five printers. You're now requesting 37 personal computers and 44 printers, at a total cost ranging between $175,000 and $200,000.

Further, it is estimated that $50,000 annually will be required for maintenance, software upgrade and network integration. This total is almost 100 percent greater than that provided to the committee last year.

Is all of that essential and can you explain the reason for the differences?

Mr. Billington. Well, I'm going to defer most of this question to Mr. Yellin, who has been very closely in charge of this whole process. But in general, this whole study, particularly the commissioned computer study—which was commissioned on trust funds, not on the Federal budget—will, in fact, end up saving a great deal of money.

The IBM 36 system that we spoke of last year requires hard wiring, and the estimate which we gave you last year had not included that. If we added that on, the cost would have been far, far greater. The new system, primarily an AT&T 6300, which Mr. Yellin will tell you about, will effect very substantial economies and enable us to provide more than two times the number of computers and four times the number of printers that were included in the IBM system.

So we're, in fact, effecting very substantial economies by this change. And I would say that, as we phase in in a very well planned way, thanks to Mr. Yellin's work and also Dr. Gifford has played a close role in this, we are phasing out some of the expenses we're able to decrease, such as the rented office equipment. That's already down $11,000 in the budget we've submitted to you. And I would point out that many of these will be one-time expenses which will be sharply reduced next year.

And I would just say, in conclusion, that this whole automation will make not only a tremendous difference to our functioning and bring us into the 20th century, but is very much needed because of the substantial deferred maintenance and the virtual lack of increase in a lot of our administrative costs over a very long period of time, at a time when the amount of activity has really greatly increased.

Just to give you some idea of that, Mr. Chairman, before I turn it over to Mr. Yellin, I would just like to point out a couple of simple figures. In the decade between fiscal year 1985, the last year in which we have full statistics, and fiscal year 1976, the number of fellow and guest scholars nearly doubled. The number of meetings more than doubled, from 112 to 255. The number of books produced as a direct result I think more than tripled on a yearly basis, from 14 to 44. And, of course, the 387 stations throughout the country that receive the weekly dialog that Mr. Gifford puts on National Public Radio and the more than 110,000 that receive the Wilson Quarterly weren't getting anything at all a decade ago.

So there really has been a massive increase of activity and we think this is a very economical way of leaping into the 20th, and maybe the 21st, century.

The detailed questions I'll perhaps refer to Mr. Gifford.

Senator McClure. It might well be. But rather than getting into too much detail, which I probably wouldn't understand, anyhow, let me ask the question this way—is the difference between what you suggested last year and what you're presenting to us this year a difference because of a different plan or different equipment or——

Mr. Billington. Well, that's what I was trying to say about the difference between the IBM and the AT&T. But why don't you take over, Doctor.

## LIMITATION OF IBM 36 SYSTEM

Mr. YELLIN. Mr. Chairman, last year's configuration was the IBM System 36, which, as Dr. Billington pointed out, would only provide us with a limited number of work stations and would require hard wiring, which would entail extensive renovation costs, and which would only fulfill two of the functions that we need to have improved—namely, list management and administrative recordkeeping.

The cost that we put in last year's budget was $148,000 to $160,000 just for the hardware itself.

Commissioning the outside study with nonappropriated funds, we took a fresh look at our needs. We found for approximately the same amount of hardware and software costs, $187,000 instead of the $160,000, we can bring in 38 computers plus 5 portable computers. We can have a printer for each one of those computers. We won't have any installation costs involving any renovation. The system that is proposed is compatible with IBM and other software as well and will fulfill, in addition to the list management and the administrative records functions, accounting, and word processing, which is very important to us and still will hook up to the Smithsonian system.

So, in a nutshell, for approximately the same amount of money, we will be getting substantially more capability at a substantially reduced cost, Mr. Chairman.

## OPERATING COSTS OF COMPUTERS

Senator MCCLURE. How about the annual operating cost after it's installed? What's the comparison?

Mr. YELLIN. It would be about the same. We did not include in last year's budget a figure for operating cost.

Senator MCCLURE. But your study would indicate that the annual operating cost, maintenance of the system, would be about equal to what you were considering last year?

Mr. YELLIN. That's correct, Senator.

Senator MCCLURE. Is it still as fully integrated with the Smithsonian system as was planned last year?

Mr. YELLIN. Yes; we will have full capability to transfer data between Smithsonian and the Wilson Center.

Senator MCCLURE. The consultant's report estimates that hardware and software costs will be $156,400. Is the center contemplating purchases in addition to those recommended in the report?

Mr. YELLIN. I received the final report yesterday, Senator, and the figure, the last figure that we have is $180,000 for hardware and software costs. We find that approximately $5,000 to $10,000 for additional supplies and materials will be required.

### COMMERCIAL SPACE RENTAL

Senator McClure. In response to the Center's need for additional space, the committee added $50,000 last year to renovate space in the tower. The fiscal year 1987 budget seeks $20,000 to pay one-third of the commercial space rental cost for the Kennan Institute for Advanced Russian Studies, which has moved to L'Enfant Plaza.

When did that move occur?

Mr. Billington. Well, this occurred just this past year, I guess 9 months ago or so. I would say that the entire Kennan Institute hasn't moved there, but a substantial amount of it has.

Senator McClure. Are any Federal funds being used for rental costs this year?

Mr. Billington. No, sir.

Senator McClure. Is this lease through the GSA?

Mr. Billington. No.

Senator McClure. In the event that we don't find it possible to give you the money for that lease this year, how will you meet the rental costs?

Mr. Billington. Well, I don't really know, Mr. Chairman. That seemed an equitable part since there——

Senator McClure. I don't mean to be abusive, but you're a little bit pregnant now and you want to help us deliver the baby. [Laughter.]

Mr. Billington. I think it's only one third of a triplet.

Senator McClure. Well, we had none of the pleasure. [Laughter.]

Mr. Billington. Well, I must say the Congress has taken considerable interest in and benefit from the activities of the Kennan Institute.

Senator McClure. I don't question that. Perhaps before making the move, dependent upon future Federal funding, it might have been well to involve the Federal Government process in making that decision.

I think you can appreciate that. I can appreciate your need, too, to acquire additional space. But you made a move which now puts a reason for request for Federal funding when the Federal funding had no part in approving or disapproving the decision.

That's my concern.

Mr. Billington. Well, we certainly respect and understand. We don't feel that this is an ideal arrangement. There just seems to be limited room in the Smithsonian and we have subdivided our offices up to such an extent that we would be accused of reproducing the conditions of the gulag if we were to subdivide them any further.

So we felt that this was essential. And it was part of the concern of the Congress in expanding, in asking the Kennan Institute to expand its role through the title VIII program that has led to the opportunity for the Kennan Institute to be of great service to younger scholars throughout the country, 80 percent of whom come from outside the east coast corridor.

Senator McClure. I don't question at all the value. I question the process which involves the Federal budget without prior consultation with those who are important to the Federal budget.

Mr. BILLINGTON. No; I understand, Mr. Chairman. I would just say that it had been our hope that we could fit this within the Smithsonian, perhaps find a little more space and so forth, but that hasn't proved possible. So we had the choice of either giving up these activities which we could otherwise do or moving ahead in the hope that the committee might provide this element of support.

Senator McCLURE. You did not come to us and request Federal funding on that particular lease this last year and I can appreciate that you're caught in a dilemma. However, if you had come to us with either a supplemental request or a reprogramming, we would have participated in the decision at the outset rather than being asked to pay for it, or part of it, after the decision was made.

It troubles me that we're asked to pay for something after it's done without having been involved in it. I don't want to push that to any extreme because, obviously, you have to make decisions through the year.

### SMITHSONIAN FEES

In addition to $73,000 of Federal funds provided as payment to the Smithsonian, the Wilson Center paid an additional $191,581 from trust funds to the Smithsonian in fiscal year 1985. An increase of $21,000 is requested for miscellaneous services which would cover fees to the Smithsonian for audiovisual services, guards, and building management services.

Is it the intention of the center to transfer these costs from the trust budget to the Federal budget?

Mr. BILLINGTON. No, it's not. Go ahead.

Mr. YELLIN. Senator, the answer is, no, it's not our intention to transfer these costs from the and trust to the Federal budget.

We did submit a proposed increase in the other services category of $21,000 to cover increased manuscript typing costs and to cover the additional cost of training employees, as well as a number of other smaller items that are not included in the Smithsonian fee.

Senator McCLURE. Well, how are these identified costs differentiated from the costs covered by the Smithsonian payment, which also covers security and building management?

Mr. YELLIN. There are very limited security and building management costs that we pay to the Smithsonian. Those that we do are for overtime for centerwide events. We also pay the Smithsonian overtime costs for building management and for guards, from private funds, for events held by the programs.

### BUDGET PRIORITIES

Senator McCLURE. Mr. Billington, while the total budget numbers for the Wilson Center are not large, the percentage increases are noteworthy. This budget requests an 8-percent increase for the Fellowship Program, a 25-percent increase for scholar support, including increases of 53 percent for the library and 164 percent for research assistants, a 9-percent increase for public service, and a 62-percent increase for general administration.

In addition to the automation increase under general administration, a 109-percent increase is sought for communications, as is a 70-percent increase for supplies, a 70-percent increase for miscellaneous services, and a 200-percent increase for equipment.

Now, I note that all of those activities are important and the dollar amounts, again, are not large. But it is quite likely that this subcommittee is going to receive a very severe ceiling on our activities for this year. And with that ceiling, it may well be that we will not be in a position to honor all of these requests within the ceiling provided for this subcommittee.

I would ask, therefore, for the record, you provide us with a list of your highest priorities so that if reductions are necessary, they can be made in a manner least harmful to the Center's program. And I'm not saying by that that I predict what our level may be in our ability to meet your request. It's just that it's going to be a very, very tough year for us and we want to be able to do the best job we can and make the maximum use of the dollars we have in the least harmful reductions in requests where necessary.

Can you provide that to us, please?

### PAST ECONOMIES

Mr. BILLINGTON. Well, of course we will, Mr. Chairman. Might I just say that I would hope we might provide some historical indication of just how little we have been asking and how little increase over the years because it's been our sincere effort to try to absorb as many of these costs as possible.

And simply over a long period of time, with the kind of exponential increase in activities and outreach that one is having, the central administrative request as a whole, if you ask what our highest priority is, that has to be it, because that's essential to sustain even a reduced amount of what we're doing.

We have not been going for these incremental increases year by year because we wanted to make a very careful assessment of what our overall administrative needs are—just as we did some years ago with fellowship support, and this committee was most helpful in devising a formula which lifted it to a respectable level and, in effect, solved that problem.

We think that the study that we have carefully made of the deferred maintenance in the disparity between the actual cost to us that we've had to fill out with trust funds and the importance of these activities, that the disparity between that, on the one hand, and the amounts we've been requesting, has been building up over the years.

So that to take it as a percentage out of the immediately preceding year rather than in comparison to many years back, when the figures—many of them have remained virtually unchanged for a long number of years—simply doesn't reflect the amount we have been absorbing all along.

So, to make it look attractive in these terms——

Senator McCLURE. You'd rather we'd compare it to some other baseline.

Mr. BILLINGTON. Well, we can take some baseline and we would be happy to be compared on that grounds with all sorts of other Federal agencies.

Senator McCLURE. Yes; well, I think you understand, with a $200 billion deficit which we're trying to eliminate, that's 20 percent of the entire Federal budget. While we can hope that economic growth will increase revenues to the government, and we have some expectation that, indeed, that will be at least part of the solution over the next 5 years, we're confronted with a very, very difficult task.

And I realize that for those who have been very frugal and run their programs very tightly, that the percentage reductions are not necessarily the right answer. And certainly, they penalize the most efficient of the past, and I don't wish to do that.

So I understand your statement. But I hope you understand our dilemma, too.

### OMB REDUCTIONS

Mr. BILLINGTON. I would just say once again, though, that we have been reduced a very large amount of $3.7 plus million from our original request by the Office of Management and Budget, which included some very important, carefully determined staff needs, particularly in the program areas where in the past, there had been a willingness to pick these up. Having been reduced $1.1 million from what was appropriated last year, having been left with a small net increase in long deferred central administrative costs, for us to begin and having tried to explain these very carefully and their importance to the center as a whole, to this much expanded center as a whole, it will be unusually difficult for us to break that small remaining figure down into component parts.

But we will certainly try.

Senator McCLURE. Well, you can do a better job of that than I can. And hopefully, we can get by without doing too much damage.

Again, I'm not predicting what the outcome of all of this is except that we'll be making the same request of almost everyone. And then we'll make some judgments. They'll not just be my judgments. They'll be collective judgments of the Congress as a whole as to where national priorities will fit, which is really what we have to do, I guess, when we have a budget deficit that is destroying economic recovery or in danger of doing so.

I do thank you for your testimony. I understand the emotion with which you approach the difficulty of answering my question.

### ACCOMPLISHMENTS AND GOALS

Mr. BILLINGTON. Well, we're one of three national institutions created by the Congress of this type and we think we've labored very cautiously and incrementally to try to realize the objective the Congress had in mind in creating this new kind of presidential memorial. Our only desire, Mr. Chairman, is to see that it continues to make the best use of the thousand new friends we think by and large it's won for America throughout the world in its first 15 years and make it worthy of the original vision of those of you who created and sustained it, so that when the next 15 years come, they will feel that, as one of your colleagues once said in setting this thing up in the first place, that we hope it is something that the 22d century will say made a difference to the 21st.

So all we're trying to do is make that base. It's not a growth industry, but we think it's a proven one and we hope we can continue to be worthy of the trust and the support that you've given us.

### ADDITIONAL COMMITTEE QUESTIONS

Senator MCCLURE. Thank you very much. There are some additional questions which we'll submit to you for response in writing for the record.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

### ADDITIONAL COMMITTEE QUESTIONS

### BUDGET PRIORITIES

*Question.* Mr. Billington, while the total budget numbers for the Wilson Center are not large, the percentage increases are noteworthy. This budget requests an 8-percent increase for the Fellowship Program; a 25-percent increase for scholar support, including increases of 53 percent for the library and 164 percent for research assistance; a 9-percent increase for public service; and a 62-percent increase for general administration. In addition to the automation increase under general administration, a 109-percent increase is sought for communications, as is a 70-percent increase for supplies, a 70-percent increase for miscellaneous services, and a 200-percent increase for equipment.

It is quite likely that we will not be in a position to honor all of these requests within the ceiling provided for this subcommittee. I would request, therefore, that for the record you provide us with a list of your highest priorities so that if reductions are necessary, they can be made in a manner least harmful to the Centers' program.

Answer.

### WILSON CENTER PRIORITIES FOR FISCAL YEAR 1987

The proposed additional resources for administrative purposes represent in large measure a comprehensive effort to correct longstanding funding shortages for basic administrative items. Additional resources for administration have been deferred to the point that the basic efficiency of the Center is threatened. We, therefore, determined that strengthening of our administrative support should be a high priority in our fiscal year 1987 budget request. Increased administrative support is crucial to strengthen the foundation on which conferences, internal seminars, services for fellows, and other activities for the Center are built. After a decade of budgetary restraint, we currently are unable to offer adequate supplies and services to our fellows and guest scholars, who have nearly doubled in number during the past decade, and/or to provide adequate support for our own still small and overextended staff. Moreover, it is essential for the Center to automate administrative functions as the basis for critically needed management improvements. An effective administrative structure will serve as a necessary underpinning for all of the Center's activities. Even with the receipt of the proposed new resources, the Center still would provide far less administrative support to our visiting scholars than that offered by institutions for advanced study elsewhere.

As noted in our response to a previous question, the continuation in fiscal year 1987 of the conference development appropriation and the provision of a further increment to the endowment challenge fund is of critical importance to the Center. Unfortunately, our request for these funds and subsequent appeal was not approved by the Office of Management and Budget.

The annual provision of a portion of conference expenses would relieve our program secretaries of exhaustive annual fund-raising efforts, enabling them to concentrate more on the Center's intellectual agenda and outreach program. The endowment fund is designed to stimulate a Wilson Center endowment of $12 million to $15 million, which, in turn, would earn sufficient annual interest to cover approximately one-half of the funds currently spent annually on the nonappropriated side largely for outreach activities. In order to reach our endowment goal, a Federal endowment fund of $3 million to be matched with $9 million from outside sources is crucial. When the endowment reaches the $12 million level, annual Federal funding for conference development could be relinquished, thus relieving pressure on the annual Federal appropriation.

### PRIORITY ORDER OF PROPOSED ADMINISTRATIVE INCREASE

Satisfying the long-deferred core administrative needs identified in this proposed budget is—as a whole—our greatest institutional priority for fiscal year 1987. When the small increases in this category are balanced against the much larger decreases from last year's budget, the Center is already subjected to a $1,100,000 net decrease from last year's appropriation. The following places in priority order the various proposed increases included with our fiscal year 1987 administrative request. In listing our priorities, we note that it is extremely difficult to choose among the various items, all of which affect directly our basic ability to function as a Center.

*Office automation.*—(+$107,000) to complete the majority of hardware and software purchases outlined in the report provided to the subcommittee. Computer installation will permit improvement in administration throughout the Center.

*Communications.*—(+$46,000) to cover higher costs relating to increased fees for local service and a new billing system instituted by the Smithsonian.

*New positions.*—(+$50,000) to keep pace with the massively increased workload in the Office of the Director and to provide a professional personnel management capability for the Center.

*Supplies, equipment, and other.*—(+$55,000) to provide an adequate base for basic and essential office items and for training and secretarial support services for fellows. There have been no appreciable increases for equipment in over 10 years, for supplies since fiscal year 1982, and for other services since fiscal year 1983.

*Rent.*—(+$20,000) to defray one-third of the annual rental costs for the Kennan Institute for Advanced Russian Studies in recognition of the fact that the Kennan Institute has relinquished approximately 900 square feet of space in the Smithsonian Institution Building.

*Question.* Concurrent with the increased automation request, the budget also seeks additional funds to hire a typist in the Office of the Director and an increase in the amount provided for contractual word processing. Where can we find the economies of automation of which you spoke last year?

Answer. The typist in the Office of the Director is needed to cope with a workoad that has increased drastically in recent years despite the fact that there has not been a staffing increase for more than 10 years. Currently the Director's office consists of two support personnel—a special assistant and a clerk-typist. These employees must handle scheduling, reception, and a vast amount of typing. A backlog of work exists continuously and, therefore, an additional employee is necessary to provide an adequate level of support in the Director's office. The introduction of computers into the Director's office will improve efficiency and reduce the need for additional employees beyond the clerk-typist for fiscal year 1987.

The miscellaneous services cateogry includes fees for audiovisual, guard, and building management services for which reimbursement is made to the Smithsonian, fees for contractual maintenance services and for training, and contractual fees paid for manuscript word processing. Once computers are available to fellows for word processing (during fiscal year 1987 if our present request is approved), the portion of the proposed increase for contractual word processing, approximately $10,000, could be relinquished in fiscal year 1988.

*Question.* What additional square footage is now available to the Center due to the move of the Keennan Institute and how much more will become available as a result of the tower renovation?

Answer. Approximately 900 square feet of space has become available as a result of the move of the Kennan Institute. The Smithsonian's Office of Design and Construction has advised us that fire code and structural requirements permit only one very small office with 24 square feet of usable floor space to be constructed above the fourth floor of the octagonal tower. The limited space and high cost of construction appear to make this option impractical.

## CONSULTANT SERVICES

*Question.* Section 515 of the Treasury-Postal Service Appropriation Act, Public Law 99-190, requires that all Federal agencies place 10 percent of the funds identified for consultants in a reserve which is not available for expenditure during fiscal year 1986. Is the Center complying with this provision?

Answer. The Center does not have Federal funds identified for consultants.

## GRADE BULGE

*Question.* In fiscal year 1985, at the direction of the President, the Office of Management and Budget and the Office of Personnel Management implemented a joint initiative to improve the management of positions and lower the average grade levels in the GS 11-15 range. Has the Center been exempted from this initiative?

Answer. The Center has been exempted because of its small number of Federal employees.

## SUBCOMMITTEE RECESS

Senator McCLURE. The subcommittee will stand in recess until 2 p.m. on February 24, at which time we will review the budget estimates for the Bureau of Land Management.

Thank you very much.

Mr. BILLINGTON. Thank you.

[Whereupon, at 12:55 p.m., Wednesday, February 19, the subcommittee was recessed, to reconvene at 2 p.m., Monday, February 24.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1987

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MONDAY, FEBRUARY 24, 1986

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, DC.*

The subcommittee met at 2:10 p.m., in room SD–138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure, DeConcini, and Burdick.

## DEPARTMENT OF THE INTERIOR

### BUREAU OF LAND MANAGEMENT

### STATEMENT OF ROBERT F. BURFORD, DIRECTOR

**ACCOMPANIED BY:**

- **ROBERT H. LAWTON, ASSOCIATE DEPUTY DIRECTOR, ENERGY AND MINERAL RESOURCES**
- **JAMES M. PARKER, ASSOCIATE DIRECTOR**
- **GUY E. BAIER, ACTING DEPUTY DIRECTOR FOR LANDS AND RENEWABLE RESOURCES**
- **JOHN D. TABB, ACTING DEPUTY DIRECTOR FOR MANAGEMENT SERVICES**
- **ROGER L. HILDEBEIDEL, CHIEF, OFFICE OF BUDGET**

### PREPARED STATEMENT

Senator McCLURE. Good afternoon.

This is the time scheduled to review the fiscal 1987 budget request for the Bureau of Land Management. Mr. Robert F. Burford, Director of the Bureau, will be the lead witness today.

The Bureau's request for its major operating program, the management of lands and resources, is for $375,685,000, a decrease of $20,490,000 or 5 percent from 1986 appropriations, and a decrease of $3,454,000, down 1 percent, from the 1986 appropriation after the Deficit Control Act adjustment of 4.3 percent was made.

I would like to welcome you once again before this committee, Mr. Burford. As usual, we will insert your full statement into the record at this point.

[The statement follows:]

## STATEMENT OF ROBERT F. BURFORD

I appreciate the opportunity to support the President's FY 1987 budget request for the Bureau of Land Management. The FY 1987 Budget reflects the continuation of this Administration's commitments to maintaining effective stewardship of the Nation's public lands, attaining a balanced use of those lands and resources, and improving the efficiency of management of these lands.

Of course, reducing the Federal deficit and controlling Federal spending are of critical national importance. The President's FY 1987 Budget meets the $144 billion deficit target called for by the Gramm-Rudman-Hollings Balanced Budget Act of 1985. As part of the President's Budget, the funding levels requested for BLM programs satisfy both goals of effective Federal stewardship for an important national resource and reducing the Federal deficit.

### SUMMARY OF FY 1987 BUDGET REQUEST

The total FY 1987 budget request for BLM is $603.6 million, an increase of $11.9 million from the 1986 appropriations enacted to date. This increase is somewhat deceiving in that it is primarily the net result of proposed decreases in several of the Bureau's major operating appropriations offset by an increase of $36 million in the Miscellaneous Permanent Appropriations which cover payments to States and counties of shared revenue from BLM activities. This 1987 increase occurs strictly as a quirk in the timing of the 1986 payment of shared revenues to the Oregon and California Grant Land counties in western Oregon.

The FY 1987 Budget reflects our continuing commitment to effective stewardship of the public lands and their mineral, renewable, and other natural resources; including protecting these lands and resources, making them available for orderly development and use to provide economic benefits to the Nation, and ensuring their availability for the enjoyment and benefit of all Americans. The 1987 Budget proposes funding at levels appropriate to meet these management objectives and commitments for the public lands, yet is a level of funding consistent with the national mandate to reduce the Federal deficit and control Federal spending in 1987. The Secretary's initiative to "take pride in America" is an integral part of our management philosophy to encourage individual citizens, groups and private organizations to make a commitment to care about the public lands and resources. The budget includes a continuing emphasis on voluntarism and private investments on the public lands, as well as working with State and local governments and private users to share in funding and administration of many different activities where there is predominantly local interest.

The FY 1987 Budget includes a request of $375.7 million for Management of Lands and Resources (MLR), the Bureau's principal operating appropriation, which provides funding for energy and minerals management, lands and realty management, renewable resources management, planning and data management, cadastral survey, firefighting and rehabilitation, technical services and general administration. The FY 1987 request is a decrease of $20.5 million from the FY 1986 appropriations enacted in the Interior Appropriations Act. The 1987 request for the operating appropriation for management of the "Oregon and California Grant Lands," a separate account, is $51.2 million; a decrease of $4.6 million from 1986 appropriations enacted to date.

The FY 1987 Budget includes a request of $105 million for Payments in Lieu of Taxes (PILT) to those local units of government containing Federal entitlement lands. This is an increase of $630,000 over 1986 and should provide full funding under current law. The 1987 Budget also includes requests of: $8.5 million for Range Improvements, a decrease of $1.5 million from 1986; $5.2 million that is available from various cost recoverable actions by the Bureau such as from fees for rights-of-way application processing and the adoption of wild horses and burros (adopt-a-horse); and $1.2 million for acquisition of easements to provide access to public lands. No new funding is requested for either land acquisition or construction projects.

The Budget assumes that proposed legislation to be submitted to the Congress to authorize the interchange of land management responsibilities between the Forest Service and BLM will be enacted by FY 1987, with implementation to begin during that year. A separate request of $3.4 million for BLM implementation costs of the interchange is included in the 1987 Budget.

I will highlight the major changes in the FY 1987 Budget request by appropriation:

## MANAGEMENT OF LANDS AND RESOURCES (MLR)

The FY 1987 request for MLR, the Bureau's major operating appropriation, is $375,685,000, a decrease of $20,490,000 from the FY 1986 appropriations enacted to date. A more meaningful comparison with the 1987 base level of $392,392,000, which includes adjustments for management initiatives and other largely non-discretionary changes, is a total decrease of $16,707,000.

### Energy and Minerals Management

Within the MLR total, the energy and minerals management budget request is $77,572,000, a decrease of $6,016,000 from the 1987 base level comprised of changes in several programs of this activity.

For the fluid energy minerals, the request is $48,994,000, which includes an increase of $2,170,000 for the oil and gas program. This increase will be used to conduct additional diligent development reviews of Indian leases as required by law, to process additional lease adjustments, and to increase inspections of Federal leases both with in-house staff and through implementation of delegation agreements with States under the authority of section 205 of the Federal Oil and Gas Royalty Management Act (FOGRMA). Also within fluid energy minerals, a $280,000 decrease is proposed in the geothermal program to reflect the reduced level of industry demand for leasing and BLM's continued improved capability to supervise industry operations on all Federal leases.

The solid energy minerals request level of $13,695,000 reflects a decrease of $5,583,000 in the coal program due to decreased industry demand and reduced workload for regional coal leasing activities and supporting requirements. Also, no funding for the oil shale and tar sands program is requested for 1987 due to a sharp decline in private interest in oil shale and tar sands leasing and development.

The nonenergy minerals subactivity request of $14,883,000 includes a decrease of $225,000 due to decreased industry demand in the leasing programs for nonenergy minerals such as potash, phosphate and the like.

### Lands and Realty Management

The requested funding level for lands and realty management is $38,954,000, which is a decrease of $2,600,000 from the base level.

The 1987 budget level provides funding for the non-recoverable portions of the costs of processing rights-of-way applications, for handling some 250 Recreation and Public Purposes Act cases and 450 desert land entry applications, the transfer of 10,000 acres for State indemnity selections, the exchange of 255,000 acres with State and private entities, and the offering of 10,000 acres for sale under the Federal Land Policy and Management Act. Funding is also provided to continue work under the Burton-Santini Act, on resolution of the New Mexico Rio Grande occupancy issue, and development of the Automated Land and Mineral Record System (ALMRS).

In Alaska, the proposed decrease will mean a slowing of the pace of interim conveyances and tentative approvals of land transfers for the State and Alaskan Natives. However, at the 1987 level, the program still provides for the issuance of interim conveyance or patent for 2 million acres to Native corporations, conveyance of 2.8 million acres to the State of Alaska, the processing of 800 Native allotments, and action on 100 other land use authorization cases.

Renewable Resources Management

In FY 1987 we are requesting $107,813,000 for renewable resources management. Continuing emphasis is placed on improving program efficiency, reducing marginally productive activities, and simplifying administrative processes, and on cost sharing by private individuals, groups and local governments in programs which are primarily of local interest.

The forest management program is decreased by $2,604,000 to a level of $5.1 million as a result of reducing marginal timber sale offerings in public domain States and by eliminating the MLR funding support for the western Oregon forestry program. The 1987 program level will still provide for the offering of 60 million board feet of timber, exclusive of western Oregon, and continuing, undiminished, our efforts to reduce reforestation and forest development backlogs.

At the 1987 level of $15,200,000, the primary objective of the wild horse and burro program will be to decrease the number of horses held in long-term maintenance by increasing adoption efforts. An estimated 4,500 animals will be removed from the public lands at the 1987 level of funding.

The grazing management program is funded at $30,860,000 including a $345,000 increase for additional rangeland improvement planning. The program provides for managing Federal rangeland for grazing use by some 4.3 million head of livestock, conducted under 27,500 grazing permits, licenses and leases on over 170 million acres of land. Continuation of the final stages of the program of court-ordered grazing EIS's will be achieved by completing 4 EIS's in 1987.

The soil, water, and air management program, including hazardous materials management efforts, will be funded at $14,469,000 in 1987. A decrease of $1,830,000 is possible in part because of reduced soil and water inventory needs while still providing the level needed to meet the grazing EIS schedule and energy leasing goals. The 1987 program provides for continuing efforts in water management including providing for the legal availability of water for Bureau multiple-use programs, water monitoring, some watershed improvement projects, and participation in the National Acid Rain Monitoring Program. The hazardous materials program will be continued at the base level.

The Bureau's wildlife habitat management subactivity will be funded at $13,801,000; a decrease of $2,160,000 from the 1987 base. At the 1987 level, the Bureau will continue to provide inventory, implementation of habitat management plans and recovery plans, maintenance of habitat projects for threatened and endangered (T/E) and other species, and continued input of wildlife habitat data into the multiple-use planning process. Work on efforts directed to T/E species will continue to be emphasized for currently listed threatened and endangered species, and efforts on species not in danger of extinction or only proposed for listing will be reduced. Also, the Bureau will concentrate on implementing current habitat management plans rather than preparing new ones and proposes to eliminate the special funds for an experimental matching incentives program for Desert Bighorn Sheep.

The Budget's proposed level for the recreation management subactivity is $19,530,000; a decrease of $1,784,000 from the 1987 Base. The program provides for inventory, planning, permit issuance and monitoring, site stabilization and protection work in the cultural resources program, continuing efforts in the wilderness management program at the 1986 level, and management of recreation use of the public lands, including visitor assistance, recreation permit issuance and management, and management of special recreation areas, off-road vehicle use, rivers, and trails on the public lands.

An increase of $599,000 in fire management is for operation and maintenance of the Bureau's Initial Attack Management System (IAMS) to improve fire suppression readiness and reduce fire suppression costs when fully implemented.

### Planning and Data Management

A total of $9,525,000, an increase of $115,000, is requested for planning. In FY 1987, the Bureau will do 14 preplanning efforts, complete 20 Resource Management Plans (RMP), and monitor 103 RMP's. The increase will be used to support expanded needs for intergovernmental coordination and public participation related to RMP's.

Data management is budgeted at $14,888,000, an increase of $1,230,000 over the base level. The program will continue to provide data management services for many Bureau administrative and program management requirements, including the development of the Automated Land and Mineral Record System (ALMRS). The increase provides additional technical support to field users, purchase of new ADP equipment, and maintenance of existing equipment.

### Cadastral Survey

The FY 1987 budget request for cadastral survey is $22,691,000. Of this amount, $11,069,000 is for Alaska surveys, a decrease of $3,990,000. At the budgeted level, BLM will complete surveys that will make 3.3 million acres available for patent to the State of Alaska and Native corporations. Additionally, completed special surveys will make 375 parcels available for private individuals. The Bureau of Indian Affairs (BIA) is also requesting about $3 million for support of specific cadastral survey work through the Bureau largely for needs of Native Alaskans.

The funding level for surveys in States other than Alaska is $11,622,000, the same as the 1987 base. In FY 1987, the program will emphasize surveys needed in support of energy and minerals development programs, particularly in the Powder River Basin of Wyoming, and various lands programs efforts.

### Technical Services

A total of $15,065,000, a decrease of $400,000, is requested for the technical services activity. The activity provides resource protection, including law enforcement, and maintenance of Bureau-owned facilities such as buildings, roads, trails and recreation facilities. The proposal reflects a lower frequency of maintenance at several recreation, picnic and undeveloped sites and reduced frequency of cleanup at undeveloped sites.

### General Administration

The 1987 Budget requests $85,101,000 for general administration, an increase of $4,138,000 over the base level. However, within this activity, a decrease of $1.3 million from the 1986 enacted reflects efforts to improve management efficiency and consolidate certain administrative support functions and reduce the size of headquarters and field administrative organizations. The increase over the base is to cover rising uncontrollable fixed costs, such as commercial telephone and telephone equipment charges, the additional costs associated with employee transfer of duty station allowances, and other new requirements.

## CONSTRUCTION AND ACCESS, and LAND ACQUISITION

The 1987 request provides $1,200,000, a decrease of $195,000, for the access program. The funding for the access program is for the purchase of those easements which provide access necessary to get products to market and develop needed resources. No funding is proposed for new construction projects or new land acquisition projects in FY 1987.

## OREGON AND CALIFORNIA GRANT LANDS

The FY 1987 request for the "Oregon and California Grant Lands" appropriation is $51,160,000, a decrease of $4,482,000 from the base level. Reduced program requirements in the timber management and timber development programs are the result of reoffering timber for sale from contracts which were returned to BLM under provisions of the Federal Timber Contract Payment Modification Act of 1984, and from streamlining some timber sale procedures.

## PAYMENTS IN LIEU OF TAXES

The FY 1987 request for PILT of $105,000,000 is a $630,000 increase over the amount appropriated in 1986, which should fully fund these payments under current statutory formulas.

## RANGE IMPROVEMENTS

The request for range improvement funds is $8,506,000, a decrease of $1.5 million from the 1986 appropriation. The grazing fee for the 1985 and 1986 grazing year is $1.35 per animal unit month (AUM). This fee level will generate an estimated $17,000,000 in collections, 50 percent of which ($8.5 million) will be dedicated to Range Improvements in 1987.

## SERVICE CHARGES, DEPOSITS, AND FORFEITURES

Under the provisions of the Federal Land Policy and Management Act of 1976, costs related to processing applications for rights-of-way, other land use authorizations and conveyances, adoption of wild horses and burros, and repairs to damaged lands can be recovered through service charges, deposits of funds, and forfeitures of performance bonds. In 1987, collections associated with these actions which will become available for use by the Bureau are estimated at $5,195,000.

## MISCELLANEOUS APPROPRIATIONS

A number of statutes provide that a specified percentage of the revenues generated from the sale of public lands and leasing of mineral resources and surface resource products is to be shared with the States or counties within which the revenue was generated. In FY 1987, it is estimated that $45,573,000 will be paid to States and counties under these permanent appropriations. This represents an increase of $36,019,000 from the estimated 1986 payments because an early payment to the Oregon and California (O&C) Grant Land counties from 1985 receipts caused 1986 budget authority to be reflected at an unusually low amount.

The estimated 1987 payment to O&C counties also reflects an Administration legislative initiative which will be submitted to Congress to share these revenues on a net receipts, rather than on a gross receipt, basis. The 1987 estimated payment to the O&C counties is $40.1 million on this basis.

The FY 1987 estimate for the BLM trust funds requiring current appropriation is $100,000. In addition, other funds are permanently appropriated for road maintenance, and contributions to resource management projects and land survey work.

## BLM-FOREST SERVICE INTERCHANGE

The 1986 budget includes $3,400,000 requested in conjunction with proposed legislation to implement the interchange of responsibilities for the management of Federal lands between the Bureau and the Forest Service.

Interchange is designed to improve efficiency and economy of operations and to provide better service to the public.

## RECEIPTS

For FY 1987, the BLM will collect an estimated $254,200,000 in receipts from sales of lands and vegetative products, grazing fees, timber sales and miscellaneous sources. This is an increase of $24,400,000 from these same sources in FY 1986. Most of this increase will result from increased timber harvest on O&C lands.

In addition, BLM contributes directly to the generation of more than $1 billion in additional receipts (bonuses, rents, royalties) connected with the leasing of onshore Federal minerals. These receipts are now accounted for and disbursed by the Minerals Management Service.

This concludes my prepared statement on the FY 1987 Budget request for BLM. In closing, I would repeat that the FY 1987 budget request for the Bureau meets the twin objectives of responsible stewardship for the lands and resources under the Bureau's jurisdiction and that of reducing the Federal deficit and controlling Federal spending as mandated by the Gramm-Rudman-Hollings Act.

My associates and I are ready to answer your questions and provide whatever additional information is necessary to enable you to assess our budget request. Thank you.

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## BIOGRAPHY OF GUY E. BAIER

Guy Baier has been the Acting Deputy Director for Lands and Renewable Resources in Washington, D.C., since June 1985. He has held his official position of Assistant Director for Renewable Resources since June 1984.

After graduating from Colorado State University (Colorado A&M) with a B.S. in forest management, he started his career with the Bureau of Land Management (BLM) as a Forester in Eugene, Oregon. After short tours at Eugene, Oregon and Missoula, Montana, he became a BLM Graduate Fellow of the University of Michigan, studying resource economics and public administration.

In 1967, he moved to Washington, D.C., as the BLM's Training Officer, where he was one of the team members instrumental in establishing what is now the BLM Phoenix Training Center. When the Alaska Pipeline proposal surfaced in 1970, he became the BLM Pipeline Coordinator in Washington, highlighted by a commendation from then Secretary of the Interior Rogers C. B. Morton. He moved to Idaho after 8 years in Arizona as Assistant District Manager at Phoenix and District Manager at Safford.

As Deputy State Director for Renewable Resources in Idaho, Baier was responsible for guiding programs in range, wildlife, wild horses, forestry, watershed, recreation, cultural resources, and wilderness on public domain lands in Idaho from 1980-1984.

In Washington, D.C., as the Acting Deputy Director for Lands and Renewable Resources, he is responsible for policy development and program direction for land-use planning; range; forestry; wildlife; wild horses and burros; soil, water, and air; Alaska programs; land resources; rights-of-way; and recreation, wilderness, and cultural programs.

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## BIOGRAPHY OF JOHN D. TABB

John D. Tabb, 49, is Acting Deputy Director for Management Services for the Bureau of Land Management (BLM) in the Department of the Interior. He is responsible for providing technical services (resource protection, maintenance, and engineering services), cadastral survey, firefighting and presuppression services, data management (ADP, ALMRS, GIS), and general administration (including PILT).

Tabb began his career with the BLM in 1962 as the District Engineer in BLM's Denver District Office. In 1966, he became the Chief, Branch of Design and Construction in BLM's New Mexico State Office. Tabb moved to Washington in 1970 as a Staff Engineer and was named Chief of the Engineering Division in 1974.

Tabb was born in Hayden, Colorado, and graduated from Colorado State University in 1959 with a B.S. in Agricultural Engineering. He is a graduate of the Federal Executive Institute and other managerial programs.

He resides in Centreville, Virginia, with his wife Patricia. They have three children, Brenda, 19; Jeff, 17; and Scott, 11.

## INTRODUCTION OF ASSOCIATES

Senator McClure. If you would introduce your associates for us, then we will proceed directly to committee questions.

Mr. Burford. I have with me our Associate Director, Jim Parker, and Guy Baier on my far left who is Acting Deputy Director for Lands and Renewables; Bob Lawton, Associate Deputy Director for Energy and Minerals; John Tabb, Acting Deputy Director for Management Services; and on my immediate left, Roger Hildebeidel, my Budget Officer.

Senator McClure. Thank you very much.

If I may at this time yield to Senator Burdick who has some questions and another commitment.

Senator Burdick. Thank you very much, Mr. Chairman.

I am probably taking this a little bit out of order, but——

Senator McClure. You are never out of order. [Laughter.]

## BUREAU OF LAND MANAGEMENT-FOREST SERVICE INTERCHANGE

Senator Burdick. Thank you.

Mr. Burford, I am particularly interested in the BLM-Forest Service interchange. A particular concern of mine and my constituents is this interchange.

On June 26, 1985, my constituents were provided an opportunity to express their concerns regarding the proposed interchange dated June 7 in Dickinson, ND.

The purpose of that public hearing was to receive recommendations and comments from those individuals and associations who would be affected by the interchange. This information would then be taken into consideration by the Forest Service and BLM in order to develop and refine a final recommendation to submit as a legislative proposal to Congress.

The information which I have and have reviewed indicates that my constituents were opposed to this interchange almost totally.

On February 14, 1986, the Departments of the Interior and Agriculture submitted their final recommendations to Congress.

I would first like to know, after taking into consideration the comments and the concerns of North Dakota what refinements were made in the June 7, 1985, plan?

Mr. BURFORD. No change was made in the June 7 plan, Senator.

Senator BURDICK. Now we have the situation where you had a hearing on the plan in the first go-around and you found a lot of opposition, but when the second plan was filed it was identical with the first plan.

Mr. BURFORD. Yes; in essence we did. We started out on this proposal with the idea that we were going to try to achieve some efficiencies in Government, and we found we could not take into account every point of opposition that developed.

We do, however, think that it is a reasonable management plan and that it saves the Government money and will provide the same level or a better level of service to the constituents who use those public lands.

Senator BURDICK. You can understand that they were opposed to this plan in the first hearing; and the second hearing dealt with the same subject matter and they are opposed to that, too.

Mr. BURFORD. I can understand that, Senator.

### INTERCHANGE PROPOSAL FOR NORTH DAKOTA

Senator BURDICK. Some concern has been raised that it might make more sense to transfer the jurisdiction from the BLM to the Forest Service. There are 68,000 surface acres under the management of the BLM and 1,106,000 acres under the Forest Service.

Did the two departments consider placing all management responsibilities under the Forest Service; and, if so, what were their findings?

Now here we have a situation where the acres under BLM, and I did a little quick figuring here, are about 6 percent of the total; and the Forest Service has 94 percent. Yet, under this plan we transfer everything to the BLM. Why was that done?

Mr. BURFORD. A lot of your constituents that you have heard from are interested only in the surface management. In the Bureau of Land Management we have to consider management of both the surface and the subsurface. We have a lot of activity in your State on oil and gas, and on balance considering both surface and subsurface resources, it looked to us as if the most efficient management would be to put it all under the Bureau of Land Management.

We recognize that there are concerns from various constituent groups, and we also recognize that the plan is not perfect. But it was an attempt by the two agencies at the request of GAO, the Grace Commission and in line with the Carter administration's environmental message, to look at efficiencies of management, including possibly the merger of the two agencies.

We decided not to go with merger of the two agencies. We did try to look at a U.S. map and determine which would be the best configuration for management of the lands that we could achieve in a politically feasible manner.

Senator BURDICK. I am sure you can appreciate the fact that where 94 percent of the land has been operated by the Forest Service that they have become accustomed to the rules and regulations of the Forest

Service, and they like the Forest Service. And it is quite a jolt to have that all switched over to the BLM.

Mr. BURFORD. We recognize that, and that is one of the reasons that we went with the proposal which was sent up here. It will be accompanied by a legislative EIS, and it will be up to the Congress to act on that legislative proposal as they see fit.

### RATIONALE FOR PROPOSED REALIGNMENTS

Senator BURDICK. I have looked at a map, a shaded map of what is going to happen in the country, particularly in the West. I find that the States of Montana, Idaho, Colorado, Utah, Nevada, Oregon, and going on down to Arizona and New Mexico, under this new plan their jurisdictions will be divided in the State and they will have both. Is there a particular reason why their division was left and North Dakota's wasn't?

Mr. BURFORD. No, sir; the only reasons were reasons of efficiency, good land management, and continuity across the West and the East. In general, the plan was set up with the idea that we would eliminate as many areas as possible where we each had offices in order to save some positions within the two agencies.

We did try to take into consideration, in general, places where the predominant agency would take over; but in some instances this was not possible. We recognize that in your State our proposal does not meet that particular criteria, especially in relation to surface acres only.

We are trying to achieve an efficiency of management; and we made some assumptions when we did draw those lines, one of which was that either agency had the capability of managing any kind of land and that we should try to get those lines to make as much sense on a westwide basis as was possible.

Senator BURDICK. Well, I am in complete agreement with you that we want to get more efficiency and more savings. We have no argument there at all. But I have been advised that under this new arrangement the area will, in fact, employ 29 new employees. That doesn't sound like it is greater efficiency.

Mr. BURFORD. Those figures don't ring a bell with me, but I will get you a complete rundown on that.

Senator BURDICK. I wish you would.

Mr. BURFORD. Also, if your staff has not received a briefing yet, I will see that they do get a briefing on the entire plan.

Senator BURDICK. I appreciate that.

[The information follows:]

### INCREASED POSITIONS DUE TO BLM/FS INTERCHANGE

Net increases in positions after implementation of the BLM/FS interchange are projected for two States included in the proposal—Alaska and North Dakota. One additional position would be added to the Forest Service in Alaska as a result of the transfer of management responsibility for the Federal mineral estate within the Chugach and Tongass National Forests from BLM to the FS.

A net increase of 29 positions will be assigned to BLM in North Dakota after implementation of the interchange proposal. This increase is related to work in North

Dakota now being performed by BLM and FS personnel stationed in Billings, MT. The Custer National Forest supervisor's office in Billings would be closed. Twenty-one positions would be shifted to Dickinson, ND, and eight positions would transfer to Watford City, ND. This position increase in North Dakota would not result in a net increase in positions for the total organization since existing positions in Montana are proposed to be transferred to North Dakota.

### SAVINGS FROM SHARED SPACE AND PERSONNEL

Senator BURDICK. I have noted that the BLM and the Forest Service are exploring the possibility of sharing warehouse, vehicle storage space, and clerical staffs. Could you tell me the expected savings that result in such actions and whether such actions could lead to improved effectiveness and, finally, what, if anything, would prevent you from pursuing such actions?

You can supply that, too, at the same time if you would like to.

Mr. BURFORD. I can answer that to a partial degree at least.

Senator BURDICK. Fine.

Mr. BURFORD. We expect that, after the initial costs are incurred, those types of efficiencies should save close to $15 million a year in the operation of the two agencies. It will probably be in the third year of implementation before the costs are met and we start actually saving money.

We are exploring some of those things you mention, and are looking at colocations of some offices and other things already, but we have not made any personnel moves with that in mind because we want to find out what Congress is going to do. I will give you a complete rundown on that at the same time your staff is briefed.

Senator BURDICK. I would appreciate it.

Mr. Burford, the thing that amazes us in North Dakota in the letters I received from the area is they can't understand why we would trade 94 percent, which is now under BLM, for 6 percent under the Forest Service.

Mr. BURFORD. I think one thing——

Senator BURDICK. Excuse me, I got it reversed, 94 percent Forest Service and 6 percent BLM.

Mr. BURFORD. You misspoke, but I didn't pick it up. So you are all right. [Laughter.]

A great deal of our management expertise in North Dakota and a very important part of not only the State but the local income is from the minerals industry, and I don't think you will hear much objection from the minerals industry. You have been hearing some objection from the livestock interests and some of the other surface users.

It seems to me that one thing we found out in our public hearings throughout the West is that the people who are used to being under Forest Service management preferred that, and those who are used to being under the Bureau of Land Management preferred that. It is a case of preference for the devil you know rather than the devil you don't know.

I think if we can achieve this interchange proposal, it is not going to affect the land. We have a lot of disclaimers in there on things the interchange proposal will not do, and I think that 10 years from now people will not remember. But I recognize, as all of us do, that change is something that frightens people.

### MINERALS MANAGEMENT UNDER INTERCHANGE

Senator BURDICK. Will this bill transfer mineral management authority to the Forest Service which they do not now have?

Mr. BURFORD. On the land that they hold after the interchange, the Forest Service will control the minerals where they control the surface. The reason for that is that we think that you can't divorce management of subsurface from management of the surface, and if you have one agency responsible for both entities you will get better management of the two.

Senator BURDICK. Well up to this moment the Forest Service hasn't had the responsibility of handling all minerals.

Mr. BURFORD. They have the responsibility for handling the minerals under their lands up to the point of actual lease issuance. They have the responsibility for making all of the environmental assessments as to what can happen on a lease; and, in the case of lands which have been purchased, they have the absolute right to tell the Bureau of Land Management to refuse a lease. However, on the lands which were transferred from the public domain to the Forest Service, which are the so-called withdrawn lands, they advise us as to whether a lease should be issued.

After that the subsurface control is up to us. This means that if we issue a drilling permit some place in the mountains of North Dakota, we will have the responsibility of taking care of what is happening in that well below the surface; but the Forest Service has the responsibility of issuing the rights-of-ways and so forth to get into it. We think that this is an inefficient way to manage things, and we think it would be much more efficient to let one agency handle both the surface and the subsurface activities.

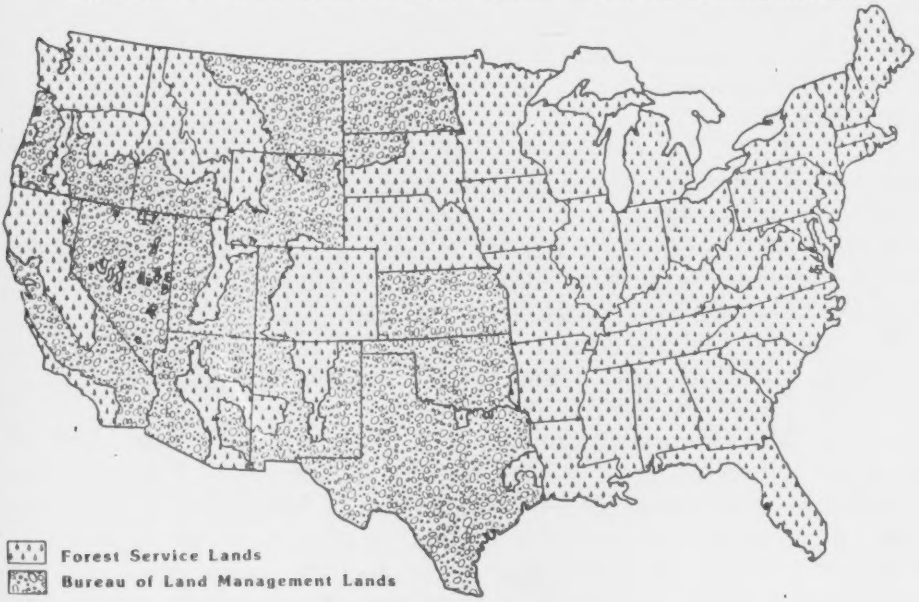
Senator BURDICK. I just want the record to show that there is hardly a North Dakotan out there in the West that approves of your plan.

Mr. BURFORD. Well, I am sorry to hear that because I think it does represent good Government. I think it is the one proposal I have seen since I have been here that will save the public money, save the Government money, and improve service.

We intend to try to get the same personnel that are now working for the Forest Service to remain there with the Bureau of Land Management. Some of them won't want to, but we intend to offer them jobs in other places. We do not intend this to be disruptive to the agencies' personnel. We think that normal attrition rates between the two agencies can take care of the jobs for people who will be displaced. We think that we can save money on vehicles, computers, and receptionists. I personally think that our savings are understated.

Senator BURDICK. Well, Mr. Chairman, I wonder if I might file with the committee just for the file a programmatic chart here showing what areas would be under BLM and what would be under the Forest Service?

BUREAU OF LAND MANAGEMENT/FOREST SERVICE INTERCHANGE



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Senator MCCLURE. Certainly. We will receive that for the file of the committee.

Mr. BURFORD. I didn't understand the request.

Senator MCCLURE. That he supply certain information for our committee with respect to the allocation of land.

Mr. BURFORD. It is not information I have to supply then.

Senator BURDICK. It is the land exchange boundary of February 1986. Well, thank you, Mr. Burford.

Mr. BURFORD. Thank you.

Senator MCCLURE. Thank you.

### GRAMM-RUDMAN-HOLLINGS REDUCTIONS

Mr. Burford, before we review your 1987 estimate, we need to consider in some detail how the Bureau is applying the 4.3-percent across-the-board reduction to the 1986 appropriation levels.

Would you explain briefly for us how those reductions which totaled $17,036,000 were made?

Mr. BURFORD. We took a 4.3-percent reduction from every one of our activities and subactivities.

Senator MCCLURE. Have you chosen to distribute the reduction between personnel and, say, travel, contracting, or purchase of supplies and equipment?

Mr. Burford. Most of those decisions will be made in the field in the annual work plans.

Senator McClure. I reviewed the justification material on pages 27, 50, and 61 as examples; and I have concluded that, at the time the justification was prepared, you did not have final plans in hand.

Mr. Burford. That is correct, Senator.

Senator McClure. If so, and in view of the fact that the sequestration order will cancel budget authority effective on March 1, less than 1 week from now, do you have further details that we can discuss with you at this time?

Mr. Burford. We have a detailed statement on the 1986 Gramm-Rudman-Hollings sequestrations, and I think it has already been supplied to the committee.

Senator McClure. I just wonder if I am looking at the same paper that you are. I have got one that is entitled "Detailed Statement Fiscal Year 1986 Gramm-Rudman-Hollings Sequestrations."

Mr. Burford. That is correct, yes, sir.

Senator McClure. That is the one that you are referring to?

Mr. Burford. Yes, sir; it is.

Senator McClure. Well, let me go a little further because some of those are still rather general and not very detailed. You had indicated in response to an earlier question that some of the decisions would be made in the field. I suppose to a degree that may be necessary, but still people are asking us what is going to happen. I am trying to get enough information that I can give an answer other than the answer being your telephone number.

Mr. Burford. I appreciate your concern for me there.

Senator McClure. I was sure you would.

Let's go through one example of how you have indicated you are taking the reduction. The example is a positive one, by the way, at least so far as I can tell. Congress added $3,500,000 in fiscal 1986 to the budget request for the Alaska Cadastral Survey Program. On page 136 you state that you will reduce the Alaska cadastral survey contract by $649,000.

By my calculation this is the proper action to have taken, that is the total Alaska Cadastral Survey Program of $15.1 million when reduced 4.3 percent is reduced by $649,000. Is that understanding correct?

Mr. Burford. Yes, sir; it is.

Senator McClure. If I apply this type of analysis to other programs, projects, and activities, will I find instances where this does not appear to be the case? In other words, do you know of programs, projects, and activities where the reduction is not 4.3 percent?

Mr. Burford. Not unless we have made a mistake. It is our intent to apply the 4.3 percent everywhere. If there is a change in there, it is one I don't know of.

### DEFICIT CONTROL ACT [DCA] EFFECT ON ALASKA LANDS PROGRAM

Senator McClure. Would it also be accurate to say that the Alaska Lands Program funded in the Realty Operations Program, page 61, will be reduced by no more than 4.3 percent?

Your narrative on page 61 states the programmatic impact of that reduction will be the extension of timeframes for the conveyance of land title to the State of Alaska and Alaskan Natives.

Mr. Burford. Yes, sir; that's right.

Senator McClure. Will the timeframe be extended by more than 4.3 percent? Is that a direct extrapolation of time?

Mr. Burford. You thought of a question that I didn't think of looking up the answer to, but I don't think it will, Senator. I think we have more money in the Interior budget which is in the Bureau of Indian Affairs' budget which also provides for some conveyance in the 1987 budget.

Senator McClure. That is in the 1987 budget, but that doesn't apply to the expenditures in the 1986 budget.

Mr. Burford. No; it doesn't, you are right. I would probably have to answer that for the record.

Senator McClure. Would you please.

Mr. Burford. Yes; we will.

Senator McClure. Because I am really wondering whether there is a multiplier in the reduction in money that has a greater impact upon time. But if you will supply an answer for the record, I would appreciate it.

[Pause.]

Mr. Burford. I think we will have to supply it for the record. I don't anticipate that it would be much because the amount is fairly small.

[The information follows:]

### DCA Reduction in Alaska Lands Program

In fiscal year 1986 the Bureau will attempt to minimize the delays in conveyance of land title to below 4.3 percent, the corresponding cut from Public Law 99-177. Concentration on transfers before survey will continue. Goals are the transfer of 0.5 million acres by interim conveyance for Native lands and 1.4 million acres of tentative approvals for the State. Lands which have been surveyed will be patented with goals of 2 million acres for the State and 1.5 million acres for Alaska Natives. This year any delays will most likely be reflected in the number of geographic windows for land transfer. These windows are part of a comprehensive land adjudication and survey effort called the patent plan process. This year work on lands to be surveyed in fiscal years 1986, 1987, and 1988 is taking place. Adjudication on the later years may be delayed.

### EFFECT OF DEFICIT CONTROL ACT ON PAYMENTS

Senator McClure. How have you allocated the Deficit Control Act reduction in the PILT Program?

Mr. Burford. In PILT, I think the 4.3 percent is $4,488,000.

Senator McClure. Current appropriations bill language states that not more than $400,000 shall be available for administrative expenses. Was this limitation changed, or did all of the 4.3-percent reduction come from the actual grants to the counties?

Mr. BURFORD. I don't think that we plan to spend that much for administration, but I will look that up right now.

Senator MCCLURE. Well, what I get from the breakdown is that you have taken all of the 4.3 percent out of the grants and none of it out of administrative overhead, which would seem to me to be inappropriate.

Mr. BURFORD. Well, I think that in calculating those payments and in sending out those checks, it will cost us just as much to send out a check that is 4.3 percent smaller as it did to send out one that is bigger.

Senator MCCLURE. I think that may well be, but the Deficit Control Act really doesn't imply that the counties tighten their belts while you leave yours out a notch.

Mr. BURFORD. Well, I am not sure I have a good answer to that statement. I think I have one that makes sense, but it may not be a good answer.

Senator MCCLURE. And I understand that answer. I would invite you to take another look.

Mr. BURFORD. I think the figure on administration is $95,000 according to my budget officer. One of the problems we in Government, as you well know, run up against is that there doesn't seem to be any way to cut administrative costs for a program like that. It takes so many hours to make the rather complicated PILT computations and so much money to get checks out; and even if we cut payments in half, it would still cost about the same amount of money to do it.

Senator MCCLURE. I understand that. There is a point at which you can't make the savings, but I do believe that there should be a question asked and you should examine it very carefully if indeed all of the costs of the reduction should come from the counties and none of it should be absorbed by the agency.

Mr. BURFORD. I will ask that question and see if there is any way we can make savings.

Senator MCCLURE. I think it would be almost a foregone conclusion that your people that are doing the analysis and writing the program and writing the checks are going to tell you no, they can't. They simply can't save 4.3 percent of the overhead. That has just got to come out of somebody else.

And I suppose there is even a theoretical possibility that they might be right, but I think that is an assumption we should challenge and not simply accept.

Mr. BURFORD. I will ask that question, Senator.

### DCA REDUCTIONS BY PROGRAM VERSUS STATE

Senator MCCLURE. Is any State absorbing more than a 4.3-percent reduction or is that spread equally by States?

Mr. BURFORD. Not to my knowledge.

Senator MCCLURE. And would the same thing be true with respect to any other funding that is done by a State, any other program activity that is done by a State?

Mr. BURFORD. In the 1986 budget?

Senator McCLURE. Yes.

Mr. BURFORD. I don't think so.

Senator McCLURE. Would you agree with me that the total level of funding in each State is a program, project, or activity that has to be cut uniformly?

Mr. BURFORD. There are some States where it probably wouldn't be if those States don't have any BLM land in them.

Senator McCLURE. But whatever their allocation is under PILT is derived by a formula which, if then reduced, would be reduced by 4.3 percent for that State and not more in some States and less in others?

Mr. BURFORD. PILT goes to the counties. So I don't believe that there should be any discrepancies in there. If you can call one to my attention, I will look into it.

Senator McCLURE. Let's take some other one like a minerals program. There are a number of your activities other than PILT that are divided into States. Are you going to choose between States in making a 4.3-percent reduction, or is the activity that has been allocated by States before going to remain allocated with each one taking a 4.3-percent reduction?

When you make an allocation to the national park units, and then you make a reduction in the allocation of the national park units, does each park take a 4.3-percent reduction and there are not some winners and some losers in that process? What I am really getting at is are there some States that are going to be winners and correspondingly some States that are going to be losers where the allocation has been by State?

Mr. BURFORD. Well, I see what you are getting at, and there is a possibility that there will be some differences because we are looking more at the program than we are at the State office.

Senator McCLURE. I am sure that is true.

Mr. BURFORD. I see what you mean. We look at it a little differently than maybe the Park Service does.

Senator McCLURE. You are going to look at it by program. If you look at it by program, you may choose between States; and some States will win and some will lose under that program.

Mr. BURFORD. That is a possibility when we look at it by programs, yes.

Senator McCLURE. Are you going to be conscious and careful of that, or is that something that you think is desirable just as a matter of policy?

Mr. BURFORD. Well, I think it is desirable to be very conscious of it as far as those allocations are concerned; and we probably will have to make some conscious decisions. It may not be viable to continue some small programs in some BLM State offices because it will just be a waste of money. And when you get down to those types of allocations, it is a wiser use of the money to shift it to some of the BLM States that have a larger program.

### EFFECT OF DCA CUTS ON 1987 PROGRAM

Senator McClure. For the purpose of comparison we asked that your 1987 budget request be compared to your 1986 funding level prior to the Deficit Control Act reductions.

Are you going to be in for a shock if we assume continuation of these 1986 cuts in our 1987 allowance?

Mr. Burford. Am I going to be in a state of shock did you say?

Senator McClure. Yes.

Mr. Burford. I have been here 5 years now, and I should be unshockable. [Laughter.]

Senator McClure. Well, I don't mean to challenge that assumption. We are not going to try to find ways.

Mr. Burford. I don't mean to have you challenge it. [Laughter.]

Well, no, I don't think I will be in a state of shock. One thing about the budget process is that I don't think that anybody who has ever sat in this room has walked in here with a perfect budget under any circumstances. None of us knows exactly how to prepare a perfect budget. We all are subject to human foibles and all subject to the suggestions of staff, State directors, OMB, and one thing and another.

Perhaps if I were in complete charge, my budget might be a little different, and the Department of the Interior's might be a little different. But we think this budget that we are presenting meets the way the President wants to go. We have had to make some tough cuts, and I think those decisions will get tougher in the years ahead.

### LONG-TERM RESOURCE MANAGEMENT REDUCTIONS

Senator McClure. Let me make a kind of general response because you come from the area of the country I come from and I think you will understand what it is I am saying. I see my concern reflected, not only in the budget for 1987; but I have seen it expressed in the budgets for each of the last 5 years.

For whatever reason, whenever there is a budgetary problem, the more severe it becomes, the more noticeable it becomes to cheat long-term resource management in favor of short-term expenditures. Those programs that are spent out in 1 year are a lot easier to justify or perhaps harder to cut or control than those that have a long-term impact.

Reforestation is a good example. If it takes 60 years for a tree to grow, it doesn't really matter very much whether you plant it this year or next year. So you tend to wait until next year as compared to a program that may well spend out next year and has next-year impact if you don't appropriate for it.

I think that I saw that expressed very clearly in Dave Stockman's attitudes toward budgetary processes. I am not sure that it was the President's proposal in some respects as much as it was Dave Stockman's.

We have a new OMB Director today, and perhaps we have a new look at some of those questions. I don't know as yet whether we will see with new OMB direction a changed emphasis for your area of the country and mine, where two-thirds of the surface area of my State is owned by the Federal Government and varying other percentages in the Western States.

A decision to defer the expenditures for resource management has a greater effect than it will some other places in the country. Ultimately it affects every area of the country because those resources belong to the public. They don't belong just to those of us who live in those States. But the costs won't show up so quickly. They accumulate.

I am concerned as I look at the across-the-board cuts, not just in the sequestration process, but in the development of budget processes, I am concerned that there may become a regional impact that is unintended simply because it is not seen clearly.

I don't mean to dwell unnecessarily on the manner in which these across-the-board cuts have been administered, but I believe it is essential in this first year of the Deficit Control Act process we in Congress communicate effectively with you in the executive branch.

We must have confidence that the process is working and that we understand what those tradeoffs are. That is one of the reasons I asked about what is our base for next year because I have seen the base change from year to year adverse to effective long-term resource management.

I will take just a minute more and then, after having dealt with the Deficit Control Act reductions for 1986, will yield to Senator DeConcini for some questions that he may have.

### SEQUESTRATION OF PAYMENTS TO STATES

On another aspect of this issue I read the act to mean that obligations made prior to the date of enactment of the Deficit Control Act, which is December 10, would not be subject to sequestration. Is that your understanding?

Mr. BURFORD. That is what the act says.

Senator MCCLURE. I asked the question because I understand that part of your O&C payment was made prior to December 1985 but was still included in the base for calculation of the amount to be sequestered. Why was that?

Mr. BURFORD. That was the way that OMB interpreted the act, I think.

Senator MCCLURE. They don't read the statute.

Mr. BURFORD. I would not care to comment on that.

Senator MCCLURE. They don't read the statute the way you read the statute.

Mr. BURFORD. I think I will still not comment on that. [Laughter.]

Senator MCCLURE. OK. Well, your first answer was unambiguous; and your second, since OMB intervened in our consciousness, became ambiguous.

Mr. BURFORD. You recognize that there are some things we did for some reason or another, and I have never figured out exactly how. We made some payments before the end of the fiscal year which have skewed our budget a little bit from what it should have been.

Senator McClure. Before the end of the fiscal year or early in the fiscal year?

Mr. Burford. Early in the fiscal year. I think it was both actually.

Senator McClure. You actually made 1986 payments in 1985 in this particular case.

Mr. Burford. Yes; that is right.

Senator McClure. But it was prior to December 10.

Mr. Burford. I have not found out how it happened.

Senator McClure. Excuse me.

Mr. Burford. I have not found out how it happened, but I know that it did happen.

Senator McClure. Well, there is a provision in the statute, and Congress is not immune from these temptations, too, that all of the disbursements to the nation of Israel will be made 100 percent at the beginning of the year and were made 100 percent at the beginning of the year. The result is any Deficit Control Act reductions will inure to the benefit of everyone else. So Congress sometimes does that as well.

I am only exploring why you did it, if indeed you did, and I gather it is because OMB reads it that way or desires to.

I have drafted a letter which I hope will be joined in by others to GAO's Comptroller General Bowsher expressing concern about this issue, and I would like to read that letter or at least portions of that letter.

> It has come to our attention that the February 1, 1986, sequestration order included in instructions to the Forest Service and the BLM to make $9.7 million and $3.4 million in savings, respectively, from balances that had already been obligated and disbursed prior to the December 10, 1985, enactment of the Gramm-Rudman-Hollings deficit reduction legislation.
>
> In the case of the Forest Service, in excess of $200 million was paid to counties on December 3, 1985, as their 25 percent portion of the shared timber revenue receipts.
>
> In the case of the Bureau of Land Management, a portion of their $61 million county payments was actually made in late September during fiscal year 1985, but was still calculated within the base for the pending March 1, 1986, sequestration.
>
> It is our view that obligated balances made prior to the enactment of Gramm-Rudman-Hollings should not be subject to the sequestration order. The GAO and other involved agencies should make appropriate adjustments to these accounts and should see that these funds are reallocated to the agencies.
>
> A retroactive application of the law to include obligated balances was not envisioned under the act and exposes agency accounts to deficiencies which could legally implicate future payments.
>
> It is our further opinion that any such foregone savings such as the $9.7 million from the Forest Service cannot be recouped through increased reductions to other accounts.
>
> And, furthermore, that any such adjustments to the sequestration order shall be allocated to the agencies only for implementation of programs, projects, and activities specified in the continuing resolution and cannot be held by the agency for other purposes.

I believe that accurately expresses our concerns, and I would invite your comment.

Mr. Burford. Well, I guess it is probably a matter of interpretation and I think I made the way I would have interpreted it known. But working within the administration, we have gone with the administration line; and that is where it is. I can understand what your concern is.

Senator McClure. Well, I understand that you have to do what OMB directs you to do, but I am concerned, indeed, and I appreciate your comment. I think you have made it as clear as you can under these circumstances. Has OMB provided clear and final guidance yet as to how this reduction is to be handled?

Mr. Burford. No; we have not received any guidance.

Senator McClure. Then the question is not necessarily a vain question on my part, and maybe we can influence their actions.

## REESTIMATES OF RECEIPTS

How about other issues such as the reestimation of receipts after the sequestration order was prepared? They develop a sequestration order and then later on a reestimate.

Mr. Burford. We have looked at that and, quite frankly, we don't know exactly which way to handle it. The receipts have been paid out there, and it is difficult to go out and get money back. We don't know which way we are going to go on it.

Senator McClure. Unless OMB allows reestimates to be taken into account, the actual amounts to be sequestered will not be 4.3 percent, but they will be some other figure; isn't that correct?

Mr. Burford. Your figures are correct.

Senator McClure. So it seems to me that they have to grant you the authority to adjust after you have had the reestimates, but they haven't done that as yet.

Mr. Burford. My anticipation is that they probably won't let us readjust.

Senator McClure. That they will not.

Mr. Burford. Yes, sir; that they will not.

Senator McClure. But you haven't been told finally.

Mr. Burford. I am informed that the Department has received those instructions.

Senator McClure. That you cannot readjust?

Mr. Burford. Yes, sir.

Senator McClure. Maybe we will pass a statute and say all the readjustments come out of OMB personnel. [Laughter.]

Senator DeConcini. I will cosponsor that, Mr. Chairman. [Laughter.]

Senator McClure. You know, it gets a little ridiculous to——

Mr. Burford. I don't think I have any comment on that either. [Laughter.]

Senator McClure. I don't say that just to be abrasive, but just as a moment ago you were suggesting that whatever the reduction is won't come out of your overhead. It will come out of disbursements to counties, and OMB will say well, let's don't have any readjustments; and that will just come out of somebody else's hide.

I am not exactly sure that I know how to be fair in this process, but somehow we have to try to be more fair than that would indicate.

Does OMB still maintain that receipts will not be sequestered but only payments out of the account will be sequestered?

Mr. Burford. Yes; that is my understanding.

Senator McClure. See, I don't think the sharing of 25 percent of the gross on timber sales or the mineral receipts sharing is an appropriation. I personally don't think it ought to be subject to any reduction at all. It is a little like the theory that says all of the money that you and I as taxpayers earn belongs to the Government, and the Government graciously allows us to keep some of it. But really the Government has a claim on 100 percent of everything.

Mr. Burford. That is one theory of Government, Senator.

Senator McClure. It is one theory of Government, but I don't think you share that.

Mr. Burford. Not exactly, no, sir.

Senator McClure. I don't share that, and I don't believe our President really believes that. And yet somehow when it comes down to the sharing of receipts from the public lands, all of the receipts from the public lands belong to the Federal Government according to that theory just as all of your income belongs to the Government according to that theory.

I would hope that we could develop some consistency that says when there is a bookkeeping account that is necessary to determine that quantity which comes to the Federal Government, the sequestration would apply only to that portion which the Federal Government received after division and not to the total amount which would take it out of the amount left to the States.

I think at this point I will be happy to yield to the Senator from Arizona for whatever questions he may have.

Senator DeConcini. Mr. Chairman, thank you. I have a few questions. It won't take long, and I appreciate the chairman yielding to me.

I have a great interest in all of your questions, but particularly the last series of where the sequestration will be applied.

### INTERCHANGE COSTS/SAVINGS

Mr. Director, if I could turn your attention to the interchange proposal, the Bureau is requesting $3.4 million in 1987 to implement the proposed jurisdictional interchange program. Can you tell us specifically what will these funds be used for, will there be any cost savings in 1987, assuming the legislation is passed and, if not, when will the cost savings appear?

Mr. Burford. There will be some cost savings in 1987, but there will still be a deficit.

Senator DeConcini. How much will that be?

Mr. Burford. $3.4 million is my figure.

Senator DeConcini. Is that the cost savings?

Mr. Burford. No; that $3.4 million is net cost in excess of savings. That is a net cost.

Senator DeConcini. That is a net cost only for BLM?

Mr. Burford. Yes; it is $8.5 million for the two agencies.

Senator DECONCINI. It is a total of $8.5 million for the two. Thank you.

Mr. BURFORD. Yes, sir.

Senator DECONCINI. And for 1987 what does that bring us in cost savings?

Mr. BURFORD. About $3.5 million.

Senator DECONCINI. $3.5 million?

Mr. BURFORD. Yes; that is total savings for the two agencies.

Senator DECONCINI. Oh, for both agencies?

Mr. BURFORD. Yes, sir; that is correct.

Senator DECONCINI. What is it for BLM? Do you have that broken down?

Mr. BURFORD. The savings from BLM alone is $1.4 million.

Senator DECONCINI. $1.4 million. Thank you.

Mr. BURFORD. When we get into 1988 it turns around. We will have actual savings in 1988.

Senator DECONCINI. You will what?

Mr. BURFORD. We will have actual net savings in 1988.

Senator DECONCINI. And what specifically are these funds going to be used for, the $3.4 million?

Mr. BURFORD. Generally, it will be for personnel-related costs involving moves and agency consolidations of offices; but most of those costs will be personnel related for moving people, and some will be space costs.

Senator DECONCINI. That is why they are only one-time costs——

Mr. BURFORD. They are one-time costs.

Senator DECONCINI [continuing]. Because once you move personnel you will have them in place and not have to incur that expense again.

Mr. BURFORD. Yes, sir.

Senator DECONCINI. And then the savings will result from closing the offices that you have moved people from?

Mr. BURFORD. We will also have some possible employment termination costs. Some people will opt for early-out retirements, and those are expensive.

Senator DECONCINI. That is included in this figure?

Mr. BURFORD. Yes, sir; it is.

### SAN PEDRO RIVER AREA MANAGEMENT

Senator DECONCINI. Let me turn to another subject, and that is the San Pedro River. Dean Bibles, who is the Arizona State BLM director, I want to say he has done an extraordinary job in acquiring a piece of unique property known as the San Pedro River area. The question is: Who is to manage it, the BLM or the Fish and Wildlife Service?

Have you received any official word from the Secretary that he will recommend that the land stay with the BLM for management?

Mr. BURFORD. We have not received anything in written form, but our understanding is that it will remain under BLM management. That is our indication, but that is not official.

Senator DECONCINI. I don't necessarily have a problem with that. There is some controversy in my State as to the standard of management, and I wonder how you feel yourself about legislation that would specify how the BLM will manage this land.

Mr. BURFORD. I think I would probably have to look at the specific piece of legislation, Senator.

Senator DECONCINI. Would you consider that?

Mr. BURFORD. Yes; I would.

Senator DECONCINI. I imagine you are aware of this problem. I don't really have any objection to BLM's managing it, particularly if they would adopt a few different procedures and you may——

Mr. BURFORD. Well, Senator, it would be our intent to set up a sort of conservation area and to have it be under some special management because we recognize the recreation potential. I think that Dean Bibles did a lot of work in trying to get that area into the public domain, and it was done with the idea that it would be a special use area with special regulations covering it, similar perhaps to the California Desert Conservation Area.

We think it is a good chance to get some wildlife habitat and some riparian habitat and make a special area out of it in Arizona.

I think there is one thing that perhaps you might need to be aware of, and that is the present National Wildlife Federation lawsuit may have that stopped. We are looking at the interpretation of Judge Pratt's order on the National Wildlife Federation suit which stops exchanges. We do not have a solicitor's opinion on that, but we think we will within 1 week.

Senator DECONCINI. By the end of this week?

Mr. BURFORD. Probably close to the end of the week or by early next week, we should have it.

Senator DECONCINI. Would you share that with us when you get it?

Mr. BURFORD. We will.

Senator DECONCINI. Thank you.

[The information follows:]

MAR 10 1986

MEMORANDUM

TO: All Assistant Secretaries
All Bureau Directors

FROM: Solicitor

SUBJECT: National Wildlife Federation v. Robert F. Burford, Donald P. Hodel, and United States Department of the Interior.

On July 15, 1985, plaintiff filed the subject lawsuit in the United States District Court for the District of Columbia, Civ. No. 85-2238. In its complaint, and subsequent amended complaint which was filed on August 19, 1985, plaintiff alleges that the Department and the Bureau of Land Management (BLM) violated: (1) the policy and land use planning provisions of the Federal Land Policy and Management Act (FLPMA) (§ 202(d)) by failing to prepare Resource Management Plans (RMP) before terminating classifications covering over 160,000,000 acres of land; (2) the withdrawal review provisions of FLPMA (§ 204(l)), by revoking withdrawals under § 204(a) of FLPMA without providing presidential and congressional review; (3) the National Environmental Policy Act (NEPA), by not preparing an environmental impact statement (EIS) for each decision to end a classification or withdrawal and, also, as to the cumulative effects of these actions; (4) FLPMA § 310 and/or the Administrative Procedures Act (APA), by failing to promulgate regulations for terminating classifications and revoking withdrawals; and (5) the public participation requirements of FLPMA §§ 202 and 309(e), by not providing notice and an opportunity for public comment.

Plaintiff filed a motion for a preliminary injunction on July 15, 1985, and after briefs were filed and argument held, the court granted plaintiff's request on December 4. The preliminary injunction was later stayed by the court following the government's Motion for Reconsideration. After further argument and submission of new papers, on February 10, 1986, the court issued its new preliminary injunction order (Order), adopting the version proposed by the Department, combined with an explanatory Memorandum Opinion. Copies of both are attached.

The purpose of this memorandum is to bring to your attention the court's February 10, 1986, Order and opinion, to outline the impact of the Order on the Department's ongoing activities, and to set forth the steps each bureau should immediately undertake to begin implementation of the Order. Although the BLM is the principal defendant in the litigation, the Secretary and the Department are also named defendants. The Order is, thus, not limited to the activities of the BLM. All bureaus of the department are potentially impacted by the Order and will be enjoined from taking certain actions as described below.

First, in general terms, the Order does not apply to third parties but (1) enjoins the Department from revoking or modifying any withdrawals or terminating any classifications that existed on January 1, 1981; (2) enjoins the Department from taking any action inconsistent with the specific terms of a classification or withdrawal that was in effect on January 1, 1981; (3) suspends all revocations of withdrawals and terminations of classifications completed since January 1, 1981; (4) allows the Department to accept filings required by law; and (5) exempts, with one exception, Alaska from the order. (The exception covers land on which a withdrawal was revoked under § 204(a) of FLPMA for other than conveyance rights to the State or natives.)

A detailed analysis of the Order and its implementation follows.

Paragraph 1(a) of the Order -- The department is enjoined from modifying, terminating, or revoking under the FLPMA any withdrawal or classification that was in effect on January 1, 1981, and which has remained in effect to date. It is clear that this paragraph primarily applies to the Secretary and the Bureau of Land Management.

Effective immediately, all withdrawal terminations, revocations or modifications and/or classification terminations under FLPMA will cease. No exemptions to this directive are permitted unless specifically authorized by the court. The fact that a classification originated under several different authorities (e.g., the Classification and Multiple Use Act, the Taylor Grazing Act, the Small Tracts Act, etc.) is not relevant to the fact that the classification may not now be terminated under FLPMA. However, if statutory authority exists, other than FLPMA, to reclassify, modify, or terminate classifications, that statutory authority may still be used. For example, the order would not preclude a reclassification or modification decision under section 7 of the Taylor Grazing Act.

It is also important to note that paragraph 1(a) of the Order does not enjoin proceeding with the withdrawal review process of FLPMA § 204(l). Although the Secretary may not terminate any withdrawals under FLPMA § 204(l), all bureaus within the department should continue to review existing withdrawals and make the appropriate recommendations to the Bureau of Land Management.

Paragraph 1(b) of the Order -- This paragraph specifically applies to all Bureaus within the department and prohibits the department from taking any action inconsistent with the specific terms of a withdrawal or classification that was in effect on January 1, 1981, regardless of subsequent status. Memorandum Opinion at 14-15. This part of the injunction is to be interpreted quite literally. For example, if a classification segregated the land only from the operation of the agricultural entry laws, then the only actions that have been enjoined are those under the agricultural entry laws. Also, the fact that the lands were subsequently transferred from the administration of the BLM to another agency within the department has no effect upon the Order. The bureau currently administering the land is bound by the terms of the Order. Several examples of how the order is to be interpreted, especially as they relate to disposal actions, follow:

a. Lands on which a Classification and Multiple Use Act (C&MU) disposal classification existed as of January 1, 1981, may continue to be disposed of in accordance with the specific terms of the disposal classification. If the disposal classification had no limitations but merely classified the lands for disposal, then all forms of disposal is permitted. If, however, the disposal classification was limited and allowed only lands to be exchanged, then exchange will be the only method under the terms of the Order by which the lands may now be disposed. If the disposal classification permitted only one type of exchange (e.g., state exchanges only) but prohibited others (e.g., private exchanges), then only that type of exchange, that is, state exchanges, may now be allowed.

b. Lands on which a C&MU multiple use/retention classification existed as of January 1, 1981, must be administered according to the specific terms of that classification. (i) If the land was only segregated from state selections, then only state selections may not go forward, but exchanges, sales, etc. are permissible. (ii) If the lands were segregated under section 8(c) of the Taylor Grazing Act (prohibiting state exchanges), then only state exchanges are now prohibited. (We would, however, issue a cautionary note and suggest the bureaus may want to take a careful look before proceeding with other types of exchanges.) (iii) If the lands were segregated from all types of exchanges, then no exchanges may now go forward, although state selections, sales, etc., are permissible. (iv) If the land was only segregated from the operation of specific agricultural entry laws, then no actions under the authority of those laws may occur, but all other entries are permissible. (v) If the lands were segregated from sales under the Isolated Tract Act, (R.S. 2455) then similar sales under FLPMA may not take place. (vi) If land is segregated from "all appropriations," then there can be no disposals of that land.

Restated, all actions not prohibited by the specific terms of a withdrawal or classification may go forward; all actions prohibited by the specific terms of a withdrawal or classification may not go forward.

c. Actions related to mineral leasing -- New mineral leasing (in fact, all types of leasing) are governed by the same guidelines set forth immediately above, that is, if land was segregated from the operation of the Mineral Leasing Act, then no new leases may be issued. Moreover, if leases were issued on lands that had been so segregated but lease issuance occurred after the segregation had been lifted, no additional actions may now be taken by the Department (e.g., approval of an APD is prohibited.) However, if the leases were issued prior to the original segregation going into effect, the leases and lease operations are not subject in any way to the Order.

d. Actions related to the Mining Laws -- Nondiscretionary actions under the Mining Laws (and other nondiscretionary actions) fall within several distinct categories. (i) If a mining claim was located on lands prior to any withdrawal or classification being issued, subsequent actions relating to that claim, including the issuance of a patent, are not affected by the Order. (ii) If a claim was located on lands or for minerals that were segregated from the operation of the mining laws or from all fprms of appropriate, it is void and, is, of course, subject to the Order and no approval actions (e.g., approving plans of operation or issuing a patent) may be taken by the Department. (iii) If a claim was located on lands or for minerals that were segregated from the operation of the mining laws or from all forms of appropriation, but the claim was located after the segregative effect was lifted (i.e., the withdrawal was revoked), the claims remain valid but the Order applies and the Department may take no further action, including the approval of plans of operations, issuance of patents, or the acceptance of any filings. (iv) If a classification specifically allowed for the application of the mining laws on the lands so classified or was silent as to their application, the full force and effect of the mining laws applies to those lands and the Order does not affect those actions. (v) If a classification specifically segregated the lands from the operation of the mining laws or from all forms of appropriation, then that segregation remains in effect under the Order and the Department can take no action under the mining laws on those lands.

Paragraph 2 of the Order -- This paragraph is in effect the "flip side" of paragraph 1(b). While 1(b) prohibits any actions inconsistent with a classification or withdrawal that was in effect on January 1, 1981, this paragraph states that the revocation or termination of any withdrawals or classifications occurring since January 1, 1981, are suspended. The effect of this paragraph is thus to reinstate the terms of the original withdrawal or classification. Since the department would be bound by those terms, the department could take no action inconsistent therewith. Thus, the directives set forth above on how to implement section 1(b) of the order apply equally to this paragraph.

Paragraph 3(a) of the Order -- This paragraph allows the department to accept filings required to be made by law. The main effect of this section is to allow the department to continue to accept filings required by the Mining Law of 1872 and by FLPMA by a claimant to protect his or her rights. This does not mean the department may approve plans of operations or issue mining, millsite, or any other type of patent if to do so would be inconsistent with the withdrawal or classification as explained above and would, therefore, be specifically precluded by paragraph 1(b) of the Order. All that paragraph 3 allows is the mere acceptance of filings.

Paragraphs 3(b)&(c) of the Order -- These paragraphs refer to the State of Alaska which, with one exception, is excluded from the litigation. Plaintiff in its complaint and amended complaint has not challenged the Department's actions taken pursuant to any of the statutes that directly affect Alaska such as the Alaskan Statehood Act, the Alaskan National Interest Lands Conservation Act, or the Alaskan Native Claims Settlement Act. In papers plaintiff filed with the court on January 13, 1986, plaintiff specifically stated that it was not challenging actions in Alaska made pursuant to the above identified statutes. The only affect that the Order has in Alaska that we have been able to determine at this time concerns one withdrawal (PLO 6477) that was revoked under the authority of § 204(a) of FLPMA which opened the land to mining, mineral leasing or sale and covered 5.7 million acres. This revocation is in the same category as all other revocations that were made in the lower 48 states under § 204(a) of FLPMA. Thus, the activities to which this land had been opened cannot now go forward.

It is understood that there is pending in Alaska a proposed action to revoke several withdrawals under the authority of FLPMA § 204(a) in order to open land for state and native selections. Such revocations may go forward as paragraph 3 of the Order states that "Nothing in this Order shall be construed to prohibit or effect...state selection and conveyance rights.... or...[n]ative conveyance rights...." (Emphasis added.)

Paragraph 3(d) of the Order -- This paragraph would seem to be self-explanatory and was issued by the court because rights-of-way are rarely affected by classifications or withdrawals and because All-American intervened in the litigation.

Paragraph 3(e) of the Order -- The Summit County School District had intervened in the litigation and the court granted it an exemption to the effect of its Order. Thus, all activities with regard to the Forest Service exchange and issuance of a patent involving the Summit County School District may go forward.

Paragraphs 4-7 of the Order -- These paragraphs would appear to be self-explanatory and need no further explanation other than to note that the status call is now scheduled of April 18, 1986. Paragraph 4 has been accomplished and the notice appeared in the Federal Register on Tuesday, February 18, 1986.

These instructions are being filed with the court to fully advise the court of the interpretation and implementation of the court's Order.

The application of the foregoing instructions may, at times, be difficult or controversial because of the scope or type of Departmental action that is proposed or pending. If there is any doubt about the application of these instructions to a particular action, you should contact Gary Bohlke, Assistant Solicitor, Environment and Realty at FTS 343-4444 for assistance in implementing these instructions. I also request that you advise Mr. Bohlke of any controversial or significant actions that may be impacted by the court's Order or these instructions. Mr. Bohlke is also available to respond to any questions you may have regarding this memorandum or implementation of the court's Order. Also, Mr. Bohlke may be contacting each Bureau within the Department for information that may be necessary to assist us in the further defense of this litigation. Your quick response to any request that he may forward to you would be greatly appreciated.

Ralph W. Tarr

Ralph W. Tarr

### COMPLIMENT TO BLM ARIZONA STATE DIRECTOR

Senator DeConcini. Mr. Director, I do want to pay particular tribute to Mr. Bibles. He has done an exceptional job out there of bringing in every possible person he could to talk about this land, and it could have been a very touchy situation trying to put it all together. It wouldn't have happened without his extraordinary effort.

Mr. Chairman, I have some other questions that I will submit for the record, and I thank the chairman.

Thank you, Mr. Director.

Mr. Burford. I will convey your message to Dean Bibles. He has done a lot of exchanges in your State, and I think that the emphasis that he and Bobby Bond put on this one down there is what made it possible.

Senator DeConcini. We all have a tendency to beat up on some of you fellows now and then, and maybe more now than then; and more often than not for something that we don't like or sometimes because of the fact that we feel that enough attention is not paid to the public concerns out there. But Mr. Bibles certainly has set a fine example for your Department; and it makes my life a lot easier, I can tell you that.

Senator McClure. And that makes my life a lot easier.

Mr. Burford. And my life, too. [Laughter.]

### FUNDING FOR ALASKA FIREFIGHTING

Senator McClure. If I could look at your base adjustments for fiscal 1987 for a minute. You have assumed that BLM will begin to receive reimbursement from the BIA, National Park Service, and Fish and Wildlife Service for firefighting costs incurred on their land in Alaska in contrast to the current policy of funding these costs centrally through the BLM and the Alaska Fire Service.

Is the State of Alaska maintaining its cooperative funding?

Mr. Burford. No; they aren't.

Senator McCLURE. Why not?

Mr. BURFORD. I don't think we are in receipt of any stated reason. I can check on that.

Senator McCLURE. If you would.

Mr. BURFORD. There may be a reason that has not come to Washington yet, but the Alaska State director might be aware of it.

[The information follows:]

### ALASKA FIRE PROTECTION PROGRAM FUNDING

Beginning in fiscal year 1986, the State of Alaska discontinued its cooperative funding for fire protection since the State began providing for its own basic protection of State of Alaska lands. Thus, the previous reimbursement from the State will no longer be required.

Fire suppression costs incurred by BLM on State of Alaska lands will continue to be reimbursed to BLM by the State of Alaska based on billings from BLM for actual fire suppression costs incurred on State lands.

## ALLOCATION OF ALASKA FIRE PROGRAM FUNDS

Senator McCLURE. Why does it make sense to us to allocate the BLM's 1987 costs of $1.5 million to four USDI agencies when we could provide it all to the BLM much more easily?

Mr. BURFORD. I think I would have to get the answer to that from the departmental budget office.

Senator McCLURE. If you would do that and supply it for the record.

Mr. BURFORD. Yes; I will.

Senator McCLURE. If there is a reason to do it, I am not necessarily opposed, but just dividing the account doesn't necessarily strike me as being an advance.

[The information follows:]

### FUNDING INTERIOR'S ALASKA FIRE PROGRAM COSTS

If funding were provided to the BLM for all Interior Department fire protection costs for Alaska, the following would be possible:

- —The BLM would have substantial funds in its total appropriation which must be committed to support of other bureaus' fire protection programs.
- —The BLM would set the program level for all four Interior bureaus in Alaska. Since BLM controls both Alaska interagency needs and needs for the BLM Lower 48 States Program, BLM could influence funding allocations for Alaska without the involvement or consent of the other bureaus.
- —Other Interior bureaus would have no stake in the Alaska funding level, therefore, no sense of responsibility. Bureaus could ask BLM for an increase or decrease in the desired level of protection for their lands without any budget consequences.

Finally, fire suppression costs on Department of the Interior lands in Alaska are covered by authorities provided under section 102 of the annual appropriation act for the Department of the Interior. These costs would continue to be paid by BLM and covered by section 102 transfers pending reimbursement through a supplemental appropriation to BLM.

## OIL AND GAS PROGRAM

Senator McClure. Compared to the 1986 appropriation level after being adjusted for the DCA reduction you are requesting an increase of $3.889 million, or up 9 percent, for the Oil and Gas Program on page 27. This is the same as an increase of $2,170,000, or up 5 percent, over the 1987 base funding.

According to your justification on page 33, BLM's workload increases 3 to 5 percent each year as the number of leases and resulting lease inspections increases. Lease adjustments will increase $300,000 and five FTE in an effort to reduce the backlog of $25,000 assignments awaiting action.

What is the bureauwide average time for processing a lease assignment?

Mr. Burford. Bob Lawton informs me that it varies from a few hours up to 4 to 5 days.

Senator McClure. What is Wyoming's average processing time for 1 of its 13,000 backlogged lease assignments?

Mr. Burford. I will call on Robert Lawton to answer that question.

Mr. Lawton. These are the figures that come primarily from Wyoming because they do have a large backlog of this work in such a complex area that they are the benchmark for most of the work that is done.

Senator McClure. All right. So the answer that you gave earlier would be applicable to Wyoming?

Mr. Lawton. It would reflect primarily the Wyoming experience, yes, sir.

Senator McClure. Assuming that you get the increase that has been requested, what will that do in terms of average time of processing and in terms of the size of the backlog?

Mr. Lawton. Well, with the budget increase that we are looking for, these cases would move on to the adjudication process. We are also doing some things to streamline the adjudication process, and that will eliminate a lot of the work that has been done in reviewing the records. We think that with the streamlining and additional staffing we can bring this backlog down in Wyoming and probably eliminate it in nearly all areas by June or July of this year.

Senator McClure. It will take all of the increased streamlining and the increased funding and FTE's to reduce the backlog?

Mr. Lawton. Yes, sir, it will.

Senator McClure. And did you say you would have it reduced by June or July?

Mr. Burford. Of next year.

Mr. Lawton. Yes, sir.

Senator McClure. Of next year. You said this year, but I assume you meant next year.

Mr. Burford. I think it is next year.

Mr. Lawton. Yes; it is. I am sorry. We feel that with the two factors we can accomplish this.

## INSPECTION OF INDIAN LEASES

Senator McCLURE. Are Indian leases inspected as frequently as non-Indian leases?

Mr. LAWTON. Most of our inspections are comparable, for both Indian and onshore leases. We do have a little more difficulty in inspecting Indian leases because their provisions are different from those on the public lands. They have individual leases with provisions that require different inspections. Public land ones are standard lease forms, and most of our operating orders and instructions are pretty common.

Senator McCLURE. But does that increase the workload for inspections?

Mr. LAWTON. Yes, sir, it does; and one of the things that our workload involves here also is looking at Indian diligence, inspections of the work that is being done, such as drilling operations and all factors dealing with Indian lands.

Senator McCLURE. Now you have asked for a diligence review increase on Indian land leases of $800,000. What percentage increase is that?

Mr. LAWTON. I don't have a percentage increase. Most of that will be for personnel, and we haven't allocated personnel specifically for Indians versus personnel for the Federal lands.

Senator McCLURE. Is that included in the five FTE, or is that in addition?

Mr. LAWTON. We are asking for 15 more FTE.

Senator McCLURE. Fifteen more for the entire program?

Mr. LAWTON. This would primarily be focused on Indian diligence review work because we have not given as much attention to that as we should because it would involve some drainage and other types of work that would be lost revenue.

Senator McCLURE. How much is being expended now for Indian lease diligence reviews?

Mr. LAWTON. I don't have that figure.

Senator McCLURE. Could you supply that for the record, please.

[The information follows:]

### INDIAN LEASE DILIGENT DEVELOPMENT REVIEWS

During fiscal year 1986, the Bureau expects to spend about $800,000 to perform diligent development reviews of Indian mineral leases. The fiscal year 1987 budget request represents a 100-percent increase over 1986, which will allow us to complete twice as many reviews. At the 1987 proposed level, the Bureau could conduct reviews on about two-thirds of the total potential universe of leases which are estimated to be subject to the requirement.

## INSPECTION AND ENFORCEMENT

Senator McCLURE. Now you have indicated that they are asking for more personnel. Overall you are proposing an increase of $1,070,000 in the Inspection and Enforcement Program, but a decrease of 42 FTE.

Mr. LAWTON. Yes, sir; the proposal we have here is that under section 203 we are allowed to delegate to the States the responsibility for inspection and enforcement. However, the provision under the law is that we will fund the work that the States would do; and this is what is reflected here.

We say that with the additional funding the people that will do the actual on-the-ground work will be State people. Therefore, we can reduce our people by, I believe it was 22 positions. However, the cost will go up because we are required under the law to furnish money to the States.

Senator McCLURE. I think the figure is 42 FTE.

Mr. LAWTON. Forty-two total. Yes; that is right. I'm sorry about that.

Senator McCLURE. I understand that the BLM will pay the States to conduct the inspection program and that the BLM will provide technical support and training of personnel in the delegated States. Will these delegations improve your efficiency, and will they really save us money?

Mr. LAWTON. I think that overall it will save money, and I think the efficiency will be there because we are not authorized nor do we do inspections on private or State lands. States have their own inspectors that go out on lands adjacent to those for which the Bureau is responsible, and these people going out to do those inspections could very easily inspect both types of land.

Senator McCLURE. Who is going to benefit from that, the States or the Federal Government?

Mr. LAWTON. I am not certain that we all won't benefit from it because they will know exactly what is happening on all the lands. I think they will have better control of the oil that is produced by production verification which we are still responsible for. All of us will be looking at that, and I think in the long run the States will benefit as well as the Federal Government.

Senator McCLURE. Are you prepared now to indicate which States will receive that delegation of authority?

Mr. LAWTON. We are not. We have had, I believe, two meetings with the State representatives to lay out the program that is authorized and how they would participate.

We have three States, I believe they are Utah, California, and possibly Wyoming, that have indicated considerable interest in participating; but we have no firm commitments yet, and we will continue to work with these States.

Senator McCLURE. BLM currently has 55 FTE or inspectors in California, Utah, and Wyoming. How many FTE's would those three States provide for inspections if we delegate the inspection to them?

Mr. LAWTON. Our proposal is that we would have to maintain oversight of the work, and we are looking at having 13 of the Bureau people that would be allocated to this. The rest would not be necessary, and this is where our savings would come from.

Senator McCLURE. How many would the States provide?

Mr. LAWTON. We do not know that yet. It would not take that many more to do the work because these States already have their own people doing the work. We haven't made any estimate of what the savings would be totally for them or the number they would increase.

Senator McClure. Do you have any idea when you will be able to provide some detail?

Mr. Lawton. We do not at this time. We are still meeting with the States, and they have not committed that they will participate. I think they are still discussing it with the Governors' offices to see what the work would entail and if they could make that commitment.

Senator McClure. But if you don't have any agreement with the States, how can you predict it well enough to have it included in the budget?

Mr. Lawton. Well, we have discussed this with the States in our sessions with them to learn how many people they have and about the number of wells that they are looking at in the way of inspections.

Senator McClure. And assuming you don't get an agreement with the States, then what will you do?

Mr. Lawton. We will go on as we are with the people we have.

Senator McClure. Do we adjust our budget?

Mr. Lawton. Well, we would have to adjust the budget, yes, sir.

Senator McClure. Gramm-Rudman makes that more difficult.

Mr. Lawton. I would imagine, yes, sir, it would.

Senator McClure. Well, where else are you going to take it out?

Mr. Lawton. Well, I think we would have to go by priorities of our inspection and enforcement plan rather than taking it out of anything specifically.

Senator McClure. So you have rolled the dice, and you hope it comes up seven.

Mr. Lawton. We hope so, yes, sir.

### COAL PROGRAM FUNDING

Senator McClure. You are requesting $13,695,000 for coal leasing and coal operations in 1987, a decrease of $5,583,000 or 29 percent below your 1987 base. That is on page 40.

The justification states on page 46 that the reduced funding level "* * * reflects BLM's intention to devote a greater portion of its efforts to coal operations activities without affecting Federal coal leasing, and is adequate to support any changes implemented as a result of the Secretary's review of the program."

But when I look at the budget history table, I note that BLM's request to OMB was for $17,555,000 or $3,860,000, 28 percent above the 1987 budget cleared by OMB.

We know from your justification what BLM's intention is. What is OMB's intention?

Mr. Burford. I think you may have to ask that question of OMB.

Senator McClure. I would never get the chance to ask them. See, that is such a wide disparity that they have to be making different assumptions than you. I know what your assumptions are. I don't know what theirs are.

Mr. Burford. Part of this reduction, I think, goes back to the fact that, as you know, the lease program has been under a moratorium for some time; and we originally had anticipated that we would be able to get started up again at an earlier date than what we actually are going to.

That Secretarial decision was originally scheduled for last September; and it has been delayed for various reasons, mainly in trying to get the programmatic supplemental EIS completed. We have some regulations that will take us about 18 months to get into effect. So we do not think that we will have our lease sales, and all lease sales will be delayed.

Senator McClure. You are suggesting now that the Secretarial review will not be completed for some time?

Mr. Burford. The Secretarial review is completed. The Secretarial decision will be up here—I don't know what the date on that announcement is, but I think it is the 26th, and you will be advised as to that in 3 or 4 days.

Senator McClure. Is it fair to ask you what that Secretary's review is expected to produce?

Mr. Burford. I think it will suggest that we start up a coal leasing program.

Senator McClure. And in spite of that, if we get that day after tomorrow, you will be in no position to make any leases at all during 1987?

Mr. Burford. That is correct. Well, except for maintenance or bypass leases or something like that. But as far as holding any other lease sales, we do not anticipate holding any in 1987. There are some regulations that former Secretary Clark committed to Congress that he would look at before we put this back in operation again. We have scheduled a meeting of the Coal Advisory Board. The first thing that will happen is a meeting of the Coal Advisory Board on April 1. But it will take us until 1988 before we can hold any regional coal lease sales.

I don't anticipate that it will be of any harm to anyone because the demand for coal is such that we are looking at leases that are inactive and that won't be able to qualify under SMCRA.

Senator McClure. I know that you should never jump to conclusions around this place. So rather than doing that, I am going to ask a question.

Does this delay in leasing activities explain the difference between your request to OMB and OMB's resolution?

Mr. Burford. There was a period in there where we thought we were going to be able to get underway sooner and would have more coal activity. However, between the time we made the original request and the time that the passback came, and by the time that we arrived at a departmental position, we had made the determination in the Bureau that this request would be sufficient for our coal program because we would not be holding any regional lease sales in 1987.

## PROCESSING PREFERENCE RIGHT LEASE APPLICATIONS [PRLA]

There is less activity on some of the PRLA's because some of the companies are not as anxious to have those processed as they were before. Therefore, some of our drilling program is cut back because of the softness of the coal market at the present time.

Senator McCLURE. But you anticipated processing 13 PRLA's in 1987, down from 67 in 1986. Is the statement that you just made the explanation for that decrease?

Mr. BURFORD. Yes; that is part of it.

Senator McCLURE. Is that all of it?

Mr. BURFORD. That is all of it that I can think of right now. If I have missed anything, the program people will supply additional information for the record.

## PROCESSING PRIORITIES FOR PRLA'S

Senator McCLURE. Do you still process all the applications on which applicants request resolution?

Mr. BURFORD. We are working on every one with a request for resolution. We have a system of priorities that if somebody is really anxious we work on that.

Senator McCLURE. And you expect to continue that during the balance of 1986 and through 1987?

Mr. BURFORD. When we first started in here, the first time I appeared in front of you, we had made a determination that we would try to process every one of them. We were going to try to get to every one that was on the books, either make it into a lease or get it off the books.

Because of the lack of demand, however, we are now processing on request, and are not processing some of those that people don't want processed.

I think that some of the coal companies anticipated some changes in the Coal Leasing Amendments Act, and those changes have not come about. So I don't think they are really anxious to get those leases in their hands.

Senator McCLURE. I like your answer, or at least I understand your answer. I want to refer to page 44 of your justification for 1 minute, at the end of the first paragraph on the top of the page, because the last sentence in that——

Mr. BURFORD. Excuse me, which one?

Senator McCLURE. Page 44.

Mr. BURFORD. At the top of the page?

Senator McCLURE. At the top of the page. The last part of the last sentence in that paragraph says, and I quote, "The processing of PRLA's in 1987 will concentrate on those applications held by applicants who request expedited resolution, so that action can be taken on those applications with the most immediate prospects of development if leases are issued."

Mr. BURFORD. Yes, sir, that is correct.

Senator McCLURE. That would indicate that the ball is totally in their court; is that correct? They make the decision as to which ones move forward, and they make the decision as to which ones have the best chance of being developed.

Mr. BURFORD. In other words, the ones that are really interested in development or serious about it, those are the ones that we are processing.

Senator McCLURE. And you are accepting that evaluation?

Mr. BURFORD. We are accepting that evaluation in that we are using that priority to decide whether to work on the PRLA and either to reject it or allow it.

Senator McCLURE. I can understand the rationale for that, but let me ask one further question in that regard. Does this totally reflect their evaluation or does it include your own. Let me ask one further question so you will understand why I asked that question that way.

Does this reflect an administration decision or position that indeed energy supplies for this country are secure through 1987? "There will be no interruption of oil, no energy crisis and no dislocation of supplies over the next 20 months."

Mr. BURFORD. No; but in the PRLA area we have had a good number of those preference right leases dropped. The applicants are no longer interested in them, and we are concentrating on those PRLA's where the company has indicated that there is a real chance of development. In 1987 we will process bypasses or leases where the companies are really going to develop, and under the new process of coal leasing there will probably be a smaller number of tracts offered if things continue as they are.

Senator McCLURE. If.

Mr. BURFORD. We have four places in the process now where we will consider demand, anticipated demand.

## COAL MARKET ASSUMPTIONS

Senator McCLURE. But the anticipated demand is based upon assumptions about oil markets, oil pricing, and oil availability; is that not fair?

Mr. BURFORD. Yes; predictions both by the private sector and by the Department of Energy, and personally I have very little reliance on the predictability of demand.

Senator McCLURE. And yet we are predicting in numerous places in the budget, we are predicting, if I understand the figures of the analysis as correct, that both CBO and OMB predictions would look at $15 a barrel for oil and totally uninterrupted and adequate supplies from foreign sources. And if those scenarios are not met, the other assumptions in the budget become erroneous. Am I correct?

Mr. BURFORD. You are probably correct at least as far as anybody can be correct in predicting oil demand.

Senator McCLURE. I wasn't making the prediction. I am only analyzing the budget.

Mr. BURFORD. All right. Well, as I stated before, I have very little faith in predictions on demand for oil or coal, either one.

Senator MCCLURE. Well, I guess one of the reasons I asked that question is it seems to me that if indeed those predictions are wrong, then we have boxed ourselves into a corner in budget assumptions and in program levels.

Mr. BURFORD. On coal?

Senator MCCLURE. Yes.

Mr. BURFORD. I don't think so. I think that we will have the coal program up and running and in a position where we will be able to offer tracts in——

Senator MCCLURE. But not in 1987.

Mr. BURFORD. Not in 1987.

Senator MCCLURE. That will come sometime in 1988.

Mr. BURFORD. Yes.

Senator MCCLURE. The coal companies are making their requests to you on PRLA's and you are responsive to those requests, and their requests to you are based upon their assumptions of markets, not yours.

### DEMAND FOR ADDITIONAL COAL LEASING

Mr. BURFORD. Well, I am not sure. We are trying to put a priority on the work that needs to be done to process PRLA's to the best of our ability, our limited ability, where we think the demand will occur.

We have had an increase in coal production in the West and a decrease in the East. That increase is predicted to continue mainly because of the various factors such as sulfur content and so forth. In order to meet the environmental concerns that came from one congressional report and from the Linowes Commission report, we had to write a programmatic EIS, but we are getting the program back on track, not as quickly as I would have liked to, but as quickly as it is politically and physically feasible.

Senator MCCLURE. And if political stability in the Middle East holds and the energy markets are as favorable as some project for the future, we may even make it.

Mr. BURFORD. Well, Senator, I can see where some of your concern is justified, but I went through the Powder River investigation, and the Linowes Commission review, and the GAO report. Various decisions were made to start this program back up under a lot of constraints, not all of which I agreed with.

Senator MCCLURE. And not all of which you initiated. I understand that. When was the Powder River incident?

Mr. BURFORD. It was in 1982.

Senator MCCLURE. In 1982, and we are talking about resumption of leasing in 1988. Aren't we lucky people that indeed the energy market is oversupplied and prices soft today.

Mr. BURFORD. That is right.

Senator MCCLURE. We may even luck out.

Mr. BURFORD. We may even luck out.

Senator MCCLURE. That is what drives some of the opponents of this administration right through the ceiling. They think Reagan must indeed have some communications with the divine. I don't know how else you really could assume as much as we are assuming right now with respect to the time that we have to make adjustments.

Now I am amazed really that sitting here and looking back at that period of time now 4 years ago, nearly 4 years ago and saying that 2 years from now we will be able to move forward with some corrections.

Mr. BURFORD. Remember that Powder River was the first coal sale that had been held after the passage of the coal leasing amendments in 1976, and it produced an immediate political uproar that was practically insurmountable.

Senator MCCLURE. I remember that Secretary Andrus, before he left office, said we ought to go forward with the Coal Leasing Program, and he made that statement in 1979.

Mr. BURFORD. Yes, sir, he did, and we finally got a sale in 1982.

Senator MCCLURE. Aren't we lucky that we have time?

Mr. BURFORD. Yes; we are.

Senator MCCLURE. I want to skip over for a moment and make just one passing reference to realty operations because there is a reason for me to say thanks to you in that report.

### RIGHTS-OF-WAY PROGRAM

I want to congratulate you for not proposing a major shift in the Rights-of-Way Processing Program as was proposed in each of the past 4 or 5 years. I think it is constructive not to have to spend a lot of time on that this year, and I appreciate that.

Mr. BURFORD. I would comment that while it takes me a long time to learn, I do learn.

Senator MCCLURE. Well, I appreciate that fact. I guess all of us do if we are around long enough, and I do appreciate that. I think it is constructive.

Mr. BURFORD. We are relooking at some rights-of-way cost recovery issues. I have had 8 or 10 meetings, all in the last 10 days I suppose. We will be coming forward with some suggestions one of these days.

I think one of the things that has been most difficult in trying to get a handle on that issue is trying to differentiate between actual cost recovery as far as the rights-of-way program is concerned and fair market value as far as the costs of rights-of-ways are concerned.

The two need to be kept compartmentalized, and not be confused.

Senator MCCLURE. Can I add just one other constraint in there? Somewhere we should reflect the fact that the Federal Government as a landlord is also a neighbor, and sometimes you have to practice what good neighborly practice would tell somebody in the private sector.

The telephone company wanted to put a buried telephone line in across some land that my wife and I own. It is all right with me so long as it doesn't hurt me. I am not asking them to pay any rights-of-way fee because it is going to help them and help our neighbor in getting a communication telephone line to their place that they otherwise wouldn't have, and why should I object so long as it doesn't hurt me. I don't know why the Federal Government can't respond in similar fashion upon some occasions.

Mr. BURFORD. There are 534 other Members up here, and I am not sure all of them share your same beliefs.

Senator McCLURE. Well, I am certain that is true. We are a diverse Nation, but we do like to get along with each other, and that may be a strained——

Mr. BURFORD. That could be a debatable point, too, sometimes. [Laughter.]

Senator McCLURE. Well, some don't like to and some will hold anybody up they can for money any time that they can.

Mr. BURFORD. That is right.

Senator McCLURE. And I suspect that since that is true throughout society we may have some reflection of that within the Halls of Congress. We are no better or worse than the people as a whole. But I do think that that constraint needs to be there, that notion that there are times when because you are a major landowner you shouldn't use that near monopoly position in transportation routes to extort from others the highest possible dollar.

Mr. BURFORD. Well, I tried to express it this morning as that some place that we should adopt a position of equity, and you have to have equity for the consumers, the producers, and the Federal Government in there somewhere. I think if we can use that idea in drawing up these fees and in other things that maybe we can achieve something that will be acceptable to all.

## DESERT LAND ENTRY PROGRAM

Senator McCLURE. I know you would be disappointed if I didn't mention the Desert Land Entry [DLE] Program, and I would hate to disappoint you.

I understand that your Desert Land Entry Program will continue in 1987 at the 1986 level; is that correct?

Mr. BURFORD. I believe that is correct.

Senator McCLURE. Based on that assumption, how long will it take to complete action on the 1,630 applications on file?

Mr. BURFORD. Well, there are some caveats that go with any ability to complete those desert land entries. One is the availability of water.

Senator McCLURE. The availability of water is a State function, is it not?

Mr. BURFORD. That is right, and we cannot——

Senator McCLURE. And you haven't changed that?

Mr. BURFORD. No, sir, and I have not made any attempt to, nor do I intend to change it. I have not changed my attitude on that for some time, and I don't intend to change my attitude on that.

Senator McCLURE. Assuming that the State can make the certification of the availability of water, or assuming that you will not attempt to make that evaluation, how long would it take to complete action on the pending applications?

Mr. BURFORD. Well, we processed 447 applications in 1985. An extrapolation would say that if we continued at the present level, it would take about 4 more years to complete if we didn't receive any more applications.

Senator McCLURE. How old are the youngest of those applications?

Mr. BURFORD. I don't think I have the figures on that now. I generally try to avoid having those figures.

Senator McCLURE. Would you please supply for the record a tabulation of the 1,630 applications and the length of their pendency before the Department.

Mr. BURFORD. Yes, I will, but you will recognize that some of those old ones are held up because of the State Water Engineer, or a lot of them were stopped by a lawsuit in Idaho.

Senator McCLURE. If you would care to use asterisks or whatever other qualifications you would like to attach, I would welcome that explanation.

Mr. BURFORD. We will work that out. Most of those DLE's are in your State and in Nevada. That accounts for practically all of them.

Senator McCLURE. I am acutely aware of that.

Mr. BURFORD. Well, I am aware of that, too, because I hear about it every time I come in front of this committee.

Senator McCLURE. Mr. Burford, I was elected to the Congress, and I am reminded that it was 20 years ago this year that I first campaigned for Congress. Some of those applications that are pending in your Department were pending then. And I think when you go through the tabulation you will be reminded of that. That is why I wanted you to go through the tabulation.

[The information follows:]

### DESERT LAND ENTRY APPLICATIONS

The following table provides a summary of desert land entry applications currently on file in BLM by State and age as of February 25, 1986.

| State | Less than 1 year | 1–5 years | 6–10 years | 11–15 years | 15+ years | Total |
|---|---|---|---|---|---|---|
| California |  | 11 | 1 |  |  | 12 |
| Colorado |  |  | 1 |  |  | 1 |
| Idaho |  | 118 | 209 | 246 | 42 | 615 |
| Nevada | 3 | 152 | 407 |  |  | 562 |
| Oregon |  | 2 |  |  |  | 2 |
| Utah | 1 | 16 |  |  | 1 | 18 |
| Wyoming |  | 9 | 5 | 5 | 1 | 20 |
| Total | 4 | 308 | 623 | 251 | 44 | 1,230 |

Mr. BURFORD. We have an estimate here in our Desert Land Entry Program information that we expect that less than 5 percent of those applicants will receive water permits from the State, and if you would like an explanation of that estimation, I will give that to you, too.

Senator McCLURE. If you would do that for the record.

Mr. BURFORD. If the State would either allow or disallow water permits on those, I think we could move a lot faster.

Senator McCLURE. Well, if you had moved some time ago to grant the permit, the desert entry, they would have already defaulted if they couldn't get water permits; and those would be off your books by now.

Mr. BURFORD. We have to have water before we can move.

Senator McCLURE. You don't have to have water. That is up to the applicant. He has to show there are resources.

Mr. BURFORD. I meant that the applicant has to show the availability of water.

Senator McCLURE. He has to show the availability of water, but he doesn't have to have in his hand a State water permit.

As a matter of fact, if you had granted it conditioned upon the availability of water, and then he failed to get the permit, it would all be over with and be done by now. He wouldn't be hanging and neither would you.

Mr. BURFORD. All right. We will get the studies——

Senator McCLURE. Maybe you have got an easy out and haven't taken it. I don't know.

Mr. BURFORD. All right. I will look it up.

Senator McCLURE. If you will furnish that for the record.

Mr. BURFORD. We will furnish it for the record.

[The information follows:]

### WATER PERMITS FOR DESERT LAND ENTRIES

The basis of the estimate is our experience in Nevada and Idaho where our most active DLE programs occur.

In Nevada, since the bureauwide moratorium on new applications was lifted in 1979, over 4,500 new DLE filings have been received. Of that number, 78 have been allowed. This represents an allowance rate of less than 2 percent. Some reasons for the low success rate include: low annual precipitation, scarcity of year-round streams, high costs associated with development of irrigation water from wells, and nearly full appropriation of the underground water resource.

In Idaho, the Idaho Department of Water Resources [IDWR] has not issued any water permits since November 1982. An agreement between the Idaho Power Co., and the Governor regarding Snake River water rights has made some water available for agriculture. The IDWR is cautiously processing water permit applications, with first priority to privately owned lands where enlargement of existing farms is contemplated. BLM has been advised that completion of water adjudication is expected to take 12 years or more, and that there is little likelihood that Idaho State water permits will ever be issued for Snake River irrigation water for new-start farms.

## PUBLIC DOMAIN FOREST MANAGEMENT PROGRAM

Senator McClure. Public domain timberlands managed by the BLM produces 92 million board feet of timber annually and generates over $7 million in revenues each year.

BLM is proposing to decrease the Public Domain Timber Program by $1,690,000 or 25 percent in 1987 by eliminating the Commercial Forest Management Program in Colorado, Montana, and Wyoming and by reducing by 50 percent the Commercial Forest Management Program in Idaho. That is on page 83.

What will the resulting timber sales level be?

Mr. Burford. Sixty million board feet.

Senator McClure. That is a reduction of 33 percent, is it not, or a reduction of one-third?

Mr. Burford. Yes; approximately.

Senator McClure. Commercial acreage will also be reduced from 2.1 million acres to 1.5 million acres or a reduction of 29 percent. What happens to timber receipts?

Mr. Burford. I prefaced this budget presentation with the statement that there were tough decisions to make in times of tough budgets. The cutting out of these programs mainly reduces our timber sale programs that cost us more money to run than they bring in, and that is the justification upon which that program is reduced.

Senator McClure. What happens to timber dependent communities?

Mr. Burford. We don't think that slowing this program down will have much effect on any communities that are really timber dependent.

Senator McClure. There aren't any communities in Colorado, Montana, or Wyoming that are dependent upon timber?

Mr. Burford. Not on BLM.

Senator McClure. Not on BLM timber?

Mr. Burford. Not completely on BLM timber, no.

Senator McClure. So you think that all of those communities will have the same level of activity that they have now when you eliminate your program?

Mr. Burford. I anticipate that there will probably be some places that are affected. We did look at it, and it is our position that our program costs more money in some areas than it brings in.

Senator McClure. You have used those words twice now in your statement. Your justification says "* * * where sale of timber does not produce any significant economic return when compared to the cost of preparing and administering timber sales."

Your statement here would indicate that if it is $1 less than the costs of managing you would do it, and the justification has a more flexible standard. But how did you define economic return? Is that strictly in dollar terms?

Mr. Burford. Yes; it is.

Senator McClure. What about the impact on wildlife values or other values such as water or recreation?

Mr. BURFORD. Well, I am not sure we considered a timber sale program in the context of helping wildlife or water values.

Senator MCCLURE. Why didn't you?

Mr. BURFORD. Well, that is something I will have to provide an answer to for the record.

Senator MCCLURE. As a matter of fact, in some areas it has a very beneficial effect upon wildlife values just as rotation has on grazing.

Mr. BURFORD. I believe that. We have some people who don't believe it though.

Senator MCCLURE. You are in charge, though. So it doesn't matter what they think.

Mr. BURFORD. Well, I am not talking about inside the agency.

Senator MCCLURE. Oh, I see.

Mr. BURFORD. I am talking about outside the agency.

Senator MCCLURE. Oh, I thought you meant inside the agency.

Mr. BURFORD. No; well, as I said before, this may not be a perfect budget, but I don't suppose I ever brought one up here that was perfect.

### FOREST MANAGEMENT AND OTHER RESOURCES

Senator MCCLURE. Well, I am concerned about it because below cost timber sales policy is a part of the national debate today. What is a deficit timber sale, and what does it do in terms of your ability to combat fires that destroy other values, and what does it do in terms of wildlife forage particularly in winter ranges? A climax forest in a low-level winter range elevation is devastating to livestock, and grazing can be greatly enhanced by removing the climax forest and introducing diversity. I think every wildlife manager in the world knows that is true. If indeed you didn't consider that, it seems to me you should.

The effect on dependent communities, it may well be that you don't have any community anywhere in any of those three States where you are eliminating operations or in a fourth where you are cutting about 50 percent in which the community will not be affected adversely by the reduction of your program, but I very much doubt that.

You are dealing in States which by and large are rural natural resource based communities and schools that are dependent upon those resources. What happens to a school that gets no resource return at all? They get 25 percent of the gross now from the sale of timber. So you say to that county, tough luck, you just close down 25 percent of your schools. No; I shouldn't say that because obviously they don't have 100 percent of their revenues coming from this timber resource.

Mr. BURFORD. There is one point. However, BLM only returns 4 percent of the timber receipts to the counties.

Senator MCCLURE. We intend to change that, but we haven't yet.

Mr. BURFORD. Well, I proposed that to you.

Senator MCCLURE. Yes; I know that. We haven't gotten it done yet because some other people don't like it.

Mr. BURFORD. Yes; there are some other people who won't like it.

Senator McCLURE. Can you provide for the record where the areas are specifically that will be reduced in Idaho because you have indicated it would be 50 percent. If it was 100 percent, as it is in the other three States, you don't have to worry about where they are. You can identify them. But you haven't identified them by area in Idaho. So if you would do that——

Mr. BURFORD. I do have the figures with me.

Senator McCLURE. Well, if you would just provide it for the record, and then we will have the opportunity to make an analysis.

## COST-BENEFIT ANALYSIS OF FORESTRY PROGRAM

Senator McCLURE. I would also appreciate it if you would provide for the record the cost and benefit analysis which you have provided to each of the areas where it will be reduced.

[The information follows:]

### COST/BENEFIT ANALYSIS

The economic return was determined by comparing the income received from the sale of timber to the cost of operating a timber sale program. No values for related timber sale benefits such as wildlife habitat changes, recreational access, et cetera, were assigned as these are hard to quantify and difficult to relate to specific timber sales.

The following table (in actual, whole dollars) compares, by district, the value of forest products sold with the costs incurred in administering a timber sale program.

| District | Total value of forest products sold |  | Forest management costs |  |
|---|---|---|---|---|
|  | Fiscal year— |  |  |  |
|  | 1984 | 1985 | 1984 | 1985 |
| Boise[1] | $2,440 | $64,360 | $51,000 | $45,000 |
| Burley |  | 4,890 |  | 21,000 |
| Idaho Falls |  | 13,260 |  | 35,000 |
| Salmon |  | 53,470 |  | 105,000 |
| Shoshone |  | 1,450 |  | 7,000 |
| Coeur d'Alene[2] |  | 368,650 |  | 490,000 |
| State office |  |  |  | 94,000 |
| Total | 2,440 | 506,080 | 51,000 | 797,000 |

[1] The Boise district sells a large timber sale every other year. The value of the forest products sold is, therefore, compared with forest management costs for more than 1 year.

[2] It is felt that efficiencies can be instituted in the Coeur d'Alene district that can reduce costs and eliminate the marginal timber sale situation.

## IDAHO COMMERCIAL TIMBER RECEIPTS

Mr. BURFORD. I can give you the figure on receipts to the States and how Idaho would be affected.

Senator McCLURE. All right.

Mr. BURFORD. It is $5,234. That is based on the 1985 figures. The elimination of the program is everywhere in Idaho except the Coeur d'Alene district.

Senator McCLURE. And for the other three States?

Mr. BURFORD. I don't have those figures here. Oh, in the other three States, the program is eliminated in the whole State.

Senator MCCLURE. And how much?

Mr. BURFORD. Colorado's receipts were $1,740; Montana's were $5,352; and Wyoming's were $4,523.

Senator MCCLURE. Thank you.

I also notice that you are proposing to eliminate funding for the public domain lands in western Oregon and instead fund the management practices on these lands from the O&C appropriation account. Is that authorized?

Mr. BURFORD. My budget officer informs me that we fund the bulk of the work on those lands right now out of the O&C account.

Senator MCCLURE. It will require no change in the O&C appropriation language?

Mr. BURFORD. That is right, if past practice has been legal. I am not going to guarantee that all past practices have been legal.

Senator MCCLURE. But you assume that they are.

Mr. BURFORD. If I didn't, I might——

Senator MCCLURE. I am not going to trap you into assuming that your actions are illegal.

Mr. BURFORD. No, sir.

### WILD HORSE AND BURRO ADVISORY BOARD

Senator MCCLURE. What is the status of the new Wild Horse and Burro Advisory Board?

Mr. BURFORD. I think the charter went into the Federal Register last week. I just signed off on it, and I don't know if it has gone to the Register yet or not. I think it may be up to the Secretary.

Senator MCCLURE. No appointments have yet been made?

Mr. BURFORD. No appointments have been made.

Senator MCCLURE. Will you keep the committee advised of your schedule and provide copies of the pertinent information as it is developed?

Mr. BURFORD. We have a February 19 letter to you that says, "I enclose for filing with the committee a copy of the charter establishing the Bureau of Land Management's Wild Horse and Burro Advisory Board." When the appointments are made, we will inform the committee.

Senator MCCLURE. All right. Thank you very much.

Mr. BURFORD. The charter calls for up to nine members.

### WILD HORSE AND BURRO PROGRAM

Senator MCCLURE. You are proposing a reduction of 10 percent, $1,750,000 in the Wild Horse and Burro Program. The reduced funding level will provide for the removal of 4,500 excess animals from the range in 1987, down from 18,959 in 1985 and an estimated 14,050 in 1986.

I looked at the budget history table expecting to find OMB's fine hand in this decision, but found instead that BLM only requested $9,367,000, whereas OMB raised the amount to $15,200,000.

I think you know of my concern with that program and, as a matter of fact, of the impact upon the public domain where there are excess numbers of horses and burros.

Between 1981 and 1984 the program averaged about $5 million per year. For 1985 and 1986 the program has averaged $17 million per year.

For the first time since 1970 we are seeing some slight reduction in the number of these excess animals, and your 1987 budget estimate would undo that progress.

How many excess animals need to be removed in 1987 to maintain 1986 population levels?

Mr. BURFORD. I am going to call on Guy Baier for those figures because I don't seem to have them right here.

Mr. BAIER. Mr. Chairman, we are looking at trying to remove 4,500 animals in 1987.

Senator MCCLURE. I know that. I saw that in the justification, but my question is how many will need to be removed to maintain 1986 population levels?

Mr. BAIER. It looks like it would be about another 3,000.

Senator MCCLURE. Do you think the birth rate is 7,500 a year?

Mr. BURFORD. It is 7,800. We are estimating around 16 or 17 percent.

Senator MCCLURE. That is a different answer than the one I got just now; 4,500 and 3,000 is 7,500 even with new math. [Laughter.]

We have excess numbers now over the populations that were established at the time of the passage of the act, is that not correct?

Mr. BURFORD. Yes; that is correct.

Senator MCCLURE. How much money is needed to remove 10,000?

Mr. BURFORD. Do you have that figure, Guy?

Mr. BAIER. It is about $150 per animal.

Senator MCCLURE. So multiply the number by $150, whether it is 10,000 or 12,000 or 15,000 or 18,000.

Mr. BAIER. That is correct.

Senator MCCLURE. Under your proposal we actually end up with more animals on the range at the end of 1987 than at the start if we fund the program at your projected level; is that correct?

Mr. BURFORD. That is correct.

### EFFECT OF EXCESS ANIMALS ON RESOURCE VALUES

Senator MCCLURE. Your justification states that it is necessary to reduce long-term maintenance costs, and the only way to do that is to reduce the number of animals in corrals. Aren't you overlooking the cost to the public lands if these excess animals are permitted to remain on the lands?

Mr. BURFORD. I think that is probably correct, Senator.

Senator MCCLURE. You are trading damage to the public resources for a budgetary impact on feeding them in corrals.

Mr. BURFORD. That is also probably correct.

Senator MCCLURE. I think that is totally unacceptable as a matter of public policy, and that need has been documented repeatedly. If we follow what you are suggesting here, we get rid of all in the corrals. Why don't you just take them out of the corrals and put them back on the public lands? That would cut down the overhead even more. It would cost you less than $150 to ship them back.

Mr. BURFORD. That has been suggested by some people, too. I disagree with it.

Senator MCCLURE. Well, I want to ship them all to Virginia; and we will turn them loose out here in the horse country where there are so many people that are concerned about them.

I just don't understand why we would reverse a program that is beginning to do what needed to be done, and that is get them down to the levels prescribed by the statute.

Mr. BURFORD. We have succeeded in getting our adoptions up to a certain extent. I still maintain that there is only one solution to this, and that is sale authority; but I don't seem to get anywhere with that.

Senator MCCLURE. Well, I remember a period of time when you were much more optimistic about it than you are now. I shared with you the effort to get that done, and I still am committed to that effort. I believe that we have to recognize at some point, as the humane society does with excess dogs and cats in cities, that you have to have the capacity to deal with those numbers if, indeed, you can't provide facilities or the maintenance, care, and feeding of them.

But until we have come to that conclusion as a Nation, it seems to me we have to do the humane thing with respect to treating them in a humane manner and feeding them and housing them in a humane manner. We also must, and underscore must, meet the public charge of maintaining the public resources on those public domain lands.

### BUDGETARY VERSUS ENVIRONMENTAL IMPACT

What you are doing is shifting from a direct budgetary cost, the cost of excess numbers, to the cost in resource values.

If we have learned anything over the last 20 years in the environmental movement in this country, it is the very appropriate focusing on the fact that we ought not to permit that to happen. We should express our cost fully and up front rather than measuring it in terms of the degradation of the resource which we pass on to future generations.

I think that is the whole thrust of the environmental decades we have just had. And as I see this budgetary proposal here, we seek to reverse that and hide the costs and the degradation of the public domain rather than meeting the costs up front.

Mr. BURFORD. Senator, I would say one thing, that we have recently formed a policy group to address this problem and see just exactly what we can do. If there is anyone that recognizes that this problem needs to be addressed, I think that I do; and we are trying to find some kind of a new approach to it to see what we can get done.

Senator MCCLURE. I might say facetiously we will put the Idaho Fish and Game Department in charge of it because they killed one-third of the population of the endangered woodland caribou by trying to tranquilize them. Maybe we can get them to tranquilize the horses and reduce their population by one-third.

Mr. BURFORD. I will welcome any suggestion and look at anything.

Senator MCCLURE. Well, it is a problem that needs to be addressed, and I don't think this proposal does it. I will be very frank with you. I knew that increasing the amount of money that was necessary to remove and to feed the horses was not the end answer, but it did meet our twin responsibilities under the constraint of present law. One is to protect the public domain resource, and the other is to handle the animals in a humane manner.

Just because we haven't been able to get sales authority, you and I together haven't been able to get that, doesn't seem to me to justify either inhumane treatment or degradation of the public domain. I don't think either choice is appropriate. There are three choices, and you chose the one that is the least appropriate in my view; but we will work to correct that.

### ADDITIONAL COMMITTEE QUESTIONS

I have some other questions which I will submit in writing and ask for your responses as quickly as you can, and other members of the committee may have until the close of business tomorrow in which to submit any questions which they may have for response in writing.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

### 1986 Deficit Control Act Adjustments

Question: Your total DCA reduction was a little over $17 million. Can you spread that reduction for us by object class, that is, can you break that into such functional categories as pay, travel, equipment and supplies, rent, etc.?

Answer: BLM's total reduction pursuant to the Gramm-Rudman-Hollings Act amounted to $28,325,000 of which $17,036,000 was sequestered from the Management of Lands and Resources (MLR) appropriation. An estimated breakdown of the MLR reduction by object classification follows:

| | Object Classification | Amount Sequestered in FY 1986 ($000) |
|---|---|---|
| | Direct obligations: | |
| | Personnel compensation: | |
| 11.1 | Full-time permanent | -2,700 |
| 11.3 | Other than full-time permanent | -2,500 |
| 11.5 | Other personnel compensation | -2,250 |
| 11.8 | Special personal services payments | --- |
| 11.9 | Total personnel compensation | -7,450 |
| 12.1 | Personnel benefits: Civilian | -1,100 |
| 13.0 | Benefits to former employees | --- |
| 21.0 | Travel and transportation of persons | -1,000 |
| 22.0 | Transportation of things | - 800 |
| 23.1 | Standard level user charges | --- |
| 23.2 | Rental payments to others | --- |
| 23.3 | Communications, utilities, and miscellaneous charges | -1,000 |
| 24.0 | Printing and reproduction | - 100 |
| 25.0 | Other services | -4,386 |
| 26.0 | Supplies and materials | - 600 |
| 31.0 | Equipment | - 600 |
| 32.0 | Lands and structures | --- |
| 41.0 | Grants, subsidies, and contributions | --- |
| 42.0 | Insurance claims and indemnities | --- |
| 99.0 | Total, direct obligations | -17,036 |

Question: Can you spread it for us by state? Is any state absorbing more than 4.3% reduction? Would you agree with me that the total level of funding in each state is a "PPA" and has to be cut uniformly?

Answer: A spread of the 4.3 percent Gramm-Rudman-Hollings deficit reduction amounts by BLM State office is not available. BLM's budget is developed, presented and justified on the basis of bureauwide activities, subactivities, and program elements. Congressional appropriations are made in line with this programmatic, functional approach to funding the Bureau's workload. After appropriations are made, bureauwide program funding is translated into organizational level cost targets for BLM State offices, Headquarters offices and support organizations. These cost targets are established by the Headquarters program and budget staffs based upon determinations of the most efficient and effective use of the available funding in each program according to the justifications and in line with congressional and Executive Branch directives. As the fiscal year progresses, adjustments in these cost targets, such as shifting program funds from one State office cost target to another, are accomplished to take advantage of unforeseen programmatic opportunities, or to meet unanticipated requirements or unexpected priority workloads. This system of financial management provides the Bureau with the flexibility needed to accomplish public land management program objectives. Although there is an attempt to keep overall funding allocations to State offices from fluctuating too widely between fiscal years, the total State office cost target is controlled, for the most part, by the sum of the individual program allocations.

We would disagree with the premise that the total level of funding for each BLM State office is a "PPA" and has to be cut uniformly. Our position is based on three major concepts. First, congressional mark-ups of BLM appropriations are and have been almost exclusively based on the Bureau's functional program funding requests. This is in contrast to some of the other resource management agencies which receive their appropriations based upon geographical subunits. Second, BLM State offices do not constitute a formally designated management unit such as a "national park" or "national forest," but rather are administratively determined organizational subdivisions of the Bureau established to carry out Bureauwide program operations. Third, individual Bureau program requirements and priorities vary widely among State offices and from year-to-year. Thus, such a requirement would unnecessarily and unwisely constrain the ability of the Bureau to manage its program funding levels for each program activity to achieve the maximum program results, efficiency and effectiveness.

## BLM's 1987 Budget: Base Adjustments

Question: Looking at your base adjustments for fiscal 1987 (p. 22 and 24), I note that you are assuming a savings of $2 million, 648 thousand dollars from refilling vacant positions at a lower grade level and by eliminating 46 FTE. Where will those positions be eliminated?

Answer: The anticipated savings of 46 administrative FTE's result from: streamlining of policies, procedures and functions (11); consolidation of purchasing functions (2); and improved ratios for personnel and procurement staffing (33). Six of the total FTE savings would occur in the Washington office, and the remaining 40 would occur in the State offices, the Denver Service Center, and the Boise Interagency Fire Center.

Question: Have you included a full explanation of this assumption in your justification? Is this another "sky hook" on which the agency and OMB is hanging a savings that has not yet been adequately analyzed and thoroughly tested?

Answer: In FY 1985 the Bureau analyzed its administrative procedures and established specific management initiative savings goals to help reduce administrative costs in BLM. To date, most of these savings have accrued through streamlining, consolidating and improving servicing ratios in administrative support operations. The management initiatives taken in FY 1986, those proposed for FY 1987, and the refilling of certain position vacancies at lower grades will result in FY 1987 savings totaling $2,648,000. Progress in achieving our management initiative goals is reviewed on a periodic basis. Management initiative goals for FY 1987 are discussed in the general administration program in the Budget Justifications.

Question: You are also showing an assumed savings of $937,000 in rental payments as a result of a new "RENT" system, replacing GSA's current SLUC system. Could you provide for the record an explanation of the new system and the basis for the estimated savings?

Answer: For FY 1987, the General Services Administration (GSA) is implementing a commercially based rent system developed by the Public Buildings Service of GSA and approved by the Office of Management and Budget (OMB). This system, to be called "Rent," constitutes an improvement to, and a renaming of the current Standard Level User Charge (SLUC) system. The new system represents a comprehensive attempt to adjust the method of calculating user fees in a manner that is both equitable and comprehensible to customer agencies.

For FY 1987 implementation, GSA has conducted an appraisal of their entire owned and leased space inventory for the purpose of establishing rental rates, as required under the new Rent system, and provided specific assignment cost information to each tenant. GSA then reduced the FY 1987 proposed rental rates for all buildings by an average of 15 percent, upon direction from OMB to help reduce Federal Government spending. BLM's savings of $937,000 derive from an assignment-by-assignment comparison of FY 1986 SLUC rates with the FY 1987 Rent rates provided by GSA. Also, as a result of the use of required commercial space rental rate comparisons by GSA, FY 1987 rental rates for BLM space, especially in the Western United States where most of our leased space is located, are generally lower than the similar FY 1986 rates were under SLUC.

## Oil and Gas Program

Question: What is the universe of inspections that need to be done each year?

Answer: The inspection and enforcement program defines an inspection item in two ways: 1) according to accounting records (maintained by MMS) where each lease, unit agreement, or communitization agreement is counted separately; and 2) according to the estimated number of drilling and abandonment actions for the year. There are about 19,000 cases of the former and 5,000 cases of the latter, or a total of 24,000 inspection items. The Bureau has defined "high priority" inspections of leases which are identified as having: 1) significant production, 2) potential for revenue loss, 3) potential for environmental damage, and 4) operator history of noncompliance. These items, which include drilling and abandonment, number about 13,000 units which should be inspected at least annually.

Question: What percent of those were accomplished in 1985? Will be accomplished in 1986? Will be accomplished at the budgeted level for 1987?

Answer: In 1985 the Bureau inspected 73 percent of the high priority inspection items and about 70 percent of all other items. Including follow-up inspections, approximately 25,000 inspections were performed. Current field reports indicate that we will complete 97 percent of FOGRMA high priority inspections and 70 percent of all other Bureau-defined high priority inspections in 1986. This will contribute to the projected total of 28,000 inspections and a total of 12,000 inspection items inspected. We are undertaking a review to determine methods which could be used to increase productivity in achieving our targeted levels despite the number of existing position vacancies and the loss of experienced and highly productive inspectors. The 1987 budget envisions completing 100 percent of high priority inspections and a total of 31,000 inspections.

Question: What level of expenditures is expected by States participating in the delegation of authority to inspect Federal and Indian oil and gas leases?

Answer: The Bureau will provide funding to the States for the cost of conducting an inspection program on Federal leases and would provide training and technical support for such activities. Funding would be at the currently authorized level thereby permitting States to perform the same number of inspections as now performed by BLM. If California, Utah, and Wyoming are delegated this authority, the total transfer of funds to State governments will be about $1.6 million.

## Coal

Question: What is the Secretary's review expected to produce? When is it expected to be complete?

Answer: On February 26, 1986, the Secretary announced his decisions regarding the modification of the Federal coal leasing program. The major changes adopted by the Department concern the following elements of the program:

1. Appraisal Methods: The Department has developed a definition for captive tracts and devised procedures to appraise their value to the adjacent coal or mine owner. Other steps, including review by the public, have been taken in developing an overall appraisal methodology in guidebook form for use by the BLM's economic evaluation staffs. Improvements have also been made in the gathering of lease assignment information that will be used in estimating the value of potential lease tracts.

2. Market Analysis: To ensure that steps of the lease sale decision process are undertaken in the context of an awareness of regional coal supply and demand, a three-tiered system of market analysis is being implemented. As a result, regional coal teams (RCT's) will have at their disposal a market study to enable them to determine whether sufficient demand is present or forecasted to warrant the initiation of activity planning. Studies will also be completed as an integral part of decisions on leasing levels in regional environ-

mental impact statements and in the final selection and scheduling of tracts for lease sale.

3. Sale Procedures: The Department has agreed to use a variety of procedures designed to encourage competition at lease sales, improve the chances for receiving adequate bids at lease sales, and to evaluate whether bids represent fair market value.

4. Leasing Levels: Regional coal teams have been given an enhanced role in recommending key decisions to the Secretary concerning the amounts of coal to be studied for regional leasing and the actual selection and scheduling of tracts for lease sale. These recommendations will be accepted unless the Secretary can cite an overriding national interest factor or a Governor's request to modify such a recommendation. Smaller, more frequent sales will be held to judge market conditions better and to prevent overleasing or underleasing.

5. Public Participation: BLM guidelines have been written to document all opportunities for the public to comment at various stages in the planning process for coal leasing, including several new opportunities.

6. Comprehensive Land Use Planning: Resource management plans prepared after passage of the Federal Land Policy and Management Act of 1976 must now be completed in order for a new round of lease sale planning to begin. Additionally, BLM will strengthen procedures for consulting with affected Federal agencies during land use planning to ensure that the purposes and values of those agencies are considered and incorporated into land use decisions in an attempt to reduce conflicts.

7. Data Adequacy: To ensure consistent use of an adequate data base in coal lease sale decisionmaking, RCT's are being directed to develop standards and guidelines for public comment and to document the use of these standards and guidelines in the planning process. The unsuitability criteria screening process will include such enhanced procedures to ensure data adequacy.

### Oil Shale and Tar Sands

Question: Due to declining industry interest in the development of existing oil shale and tar sands leases and a total lack of demand for new lease offerings, the oil shale and tar sands program will be terminated in 1987. What post-lease responsibilities does BLM have in this program and how will those responsibilities be met in 1987?

Answer: In December 1985, the lessees of the Utah tracts relinquished their leases. BLM is in the process of determining what requirements must be met before the relinquishments can be approved. Supervision of the abandonment procedures required of the lessee and subsequent site management/monitoring will be initiated in FY 1986 and are expected to continue, to a lesser degree, in FY 1987.

Of the two Colorado tracts, Tract C-a is currently under formal suspension; and development activities on Tract C-b have been greatly reduced due to processing problems and financial constraints. Tract C-a is under suspension because of a pending application before the BLM for an additional 6,400 acre tract of Federal land that is to be used for the off-site disposal of spent shale. Legislation was passed in 1982 that gave the Bureau the authority to consider granting the C-a lessee an off-site disposal tract. A Draft Environmental Impact Statement prepared for this proposed action is undergoing final review. Tract C-a will most likely not resume operations until a decision is made regarding the granting of this additional request.

The first minimum royalty payment for Tract C-b is due April 1, 1986. The amount due is estimated to be in the $1.75 million range. We are unable to give a precise figure at this time because the actual amount due must be calculated by a formula that includes factoring in the current world price of oil per barrel.

The future operational status of both of the Colorado leases is uncertain given current economic factors. That, and the extent of the post-relinquishment work on the Utah leases, will determine the nature and scope of BLM's FY 1987 workload.

Given the current circumstances, we expect any residual workload requirements to be relatively minor. The Bureau will examine options for handling any funding needs when the nature and scope of these workload requirements become better known. However, such funding is expected to be small; and we will be able to accommodate any such funding needs within the overall energy and minerals budget request for FY 1987, most likely in conjunction with other workload in the Bureau's solid energy minerals (e.g., coal) program.

Question: Will all the oil shale and tar sands leases be converted to combined hydrocarbon leases? If so, will there be any workload transferred to other BLM programs, such as to the oil and gas program?

Answer: The Combined Hydrocarbon Leasing Act (CHL) of 1981 does not provide for the conversion of oil shale leases; rather, it allows the conversion of existing oil and gas leases to combined hydrocarbon leases within designated special tar sands areas within the State of Utah. Eight combined hydrocarbon leases have been issued, and these are available for exploration activities. Monitoring will be necessary as will the enforcement of regulatory requirements concerning diligent development, paying quantities, and environmental protection.

There are 26 conversion applications currently pending. Processing of these applications, including the requisite environmental analyses, should be largely completed during FY 1986 but may continue into FY 1987. Also a small amount of CHL administration work will most likely continue in 1987. Such actions are almost identical to the lease administration work for oil and gas leases; and, in the interests of economical and efficient operations, the Bureau would in all likelihood, combine this workload with the funding for oil and gas lease work in the Utah State Office.

Question: How will BLM determine the resource values of tracts offered for exchange or conveyance?

Answer: At present there are no applications for exchange or conveyance in the tar sands program. The Bureau has not determined the resource values of any possible tract configuration in anticipation of any potential future exchange or conveyance proposals.

Question: If the lessee holding the two remaining prototype oil shale leases relinquishes those leases in 1986, will there be any oil shale workload in 1987?

Answer: The likelihood is that the two remaining oil shale leases will not be relinquished in 1986 or 1987. Lease C-a is in suspension awaiting BLM action on an application for an additional lease to be used for off-site disposal. Legislation was passed in 1982 authorizing BLM to consider leasing an additional 6,400 acres to the C-a leaseholder to be used for off-site disposal of spent shale. Therefore, until their application for this additional off-site lease is acted upon, it is unlikely that the lessee will relinquish the lease.

It is also unlikely that the C-b leaseholder will relinquish because the major emphasis at the lease site is on development of a mining and processing technology that a number of other private firms are interested in using. Thus, there is an incentive to retain the lease.

## Realty Operations

Question: I do note that you have requested an increase of $320,000 (+4%) in the "Management of Lands and Resources appropriation" (p. 65) and are expecting increased receipts of $1,005,000 (+60%) in the "Service Charges, Deposits, and Forfeitures" account. What assumption have you made in the latter account that leads you to expect a 60% increase in receipts for rights-of-way processing (p. 347)?

Answer: Most of this increase ($800,000) is simply the result of a better estimate of receipts based upon actual receipt levels during FY 1985. The original 1986 estimate of $1,690,000 for rights-of-way processing was made prior to the availability of final FY 1985 receipt data. When this information became available, it was apparent that the implementation of regulations for processing cases under the Mineral Leasing Act and increased case activity were resulting in an increased level of receipts (FY 1985 = $2,488,000). This information was not available in time to modify the FY 1986 estimate, but, rather was used in formulating the FY 1987 estimate materials.

Question: Does your assumption of increased receipts mean higher fee schedules for small or minor rights-of-ways applied for under FLPMA?

Answer: Approximately $205,000 of the projected receipt increase is based upon the assumption that regulations for processing rights-of-way under FLPMA will be published and implemented in FY 1987. A substantial portion of this increase will be from fees charged for processing "small" (Category I and II) rights-of-ways. Such cases have historically made up about 85 percent of al' cases.

Question: Are the total service charge receipts trending up or down? Why?

Answer: There are no clear trends in total service charge receipts. Receipts from processing applications for large rights-of-way are highly variable from year-to-year and make up such a large portion of receipts that they tend to distort trends. A total receipt history from FY 1981 through FY 1985 follows:

| Fiscal Year | Receipts ($ millions) |
|---|---|
| 1981 | 8.3 |
| 1982 | 6.3 |
| 1983 | 5.4 |
| 1984 | 3.8 |
| 1985 | 5.2 |

Question: You mention that you will be having additional workload in 1987 as a result of the development of new fair market rental procedures. What is the status of their development?

Answer: The regulations for rental of rights-of-way were approved by OMB last fall. The regulations are currently being reviewed in the Secretary's Office in light of concern expressed by industry and in the Senate Appropriations Committee Report on FY 1986 Interior Appropriations. The Assistant Secretary for Land and Minerals Management has rejected the market study report upon which the regulations were based, and his staff is currently working to develop an alternative approach. The end result desired is a rental fee schedule and calendar year billing schedule for all linear rights-of-way. Revised regulations are expected to be completed later this fiscal year.

Question: The Automated Land and Mineral Record System (ALMRS), started in 1983, is budgeted at $3,006,000 in 1987. What is the long-term cost for ALMRS? Schedule?

Answer: The Bureau of Land Management has completed a feasibility study for the ALMRS project. This document is presently being reviewed by other agencies within and outside of the Department of the Interior which may benefit by ALMRS implementation. On April 3, the Department's Information Resources Management Review Council is scheduled to review final comments and make a formal decision on completion of the project's initiation phase. Shortly thereafter, the Department will forward the study to OMB and Congress, along with supplemental information on project scheduling and prototype activities.

The total cost of the system as defined in the feasibility study (including a 7-year development/implementation life cycle and a 5-year operating life cycle) would be approximately $240 million, with a cost/benefit ratio of 1:2.74. This estimate includes all costs for system development and implementation, data collection, telecommunications, space, site preparation, and operations and maintenance associated with the project, as required by Federal Information Processing Standards (FIPS) PUB 64. (System development and hardware procurement costs are projected to be approximately $93.5 million for the system configuration considered in the feasibility study.)

However, the actual implementation costs which would require funding in the annual budgets are expected to be substantially less than these estimates because: 1) the estimates are based upon FIPS PUB 64 accounting procedures which incorporate as project costs factors which do not necessarily require direct funding in the ALMRS budget, and 2) data collection efficiencies, technology improvements, and use of off-the-shelf software will likely result in additional reductions to budget requirements as annual funding decisions are made.

Question: Please indicate a thorough statement on cost, schedule, testing, etc., for the record. Also, show source and amount of funding if funded in multiple activities/subactivities.

Answer: BLM is presently testing prototype ALMRS applications for a small geographic area. We anticipate this prototype will clarify the functional/automated requirements of ALMRS, assess the practicality and cost comparisons of certain existing graphic storage and display technologies, reduce risks in system design and development, and demonstrate the cost/benefit results of the system. The prototype effort will continue through FY 1987, although the first results are expected by the end of FY 1986.

Assuming success with the prototype activities in FY 1986 and FY 1987, we anticipate issuing a system development contract in FY 1988 running through FY 1989. The contract will be for system software development and equipment acquisition for the pilot State(s). Only after successful pilot testing in FY 1989 will the Bureau begin full scale implementation. Bureauwide implementation is scheduled to begin in FY 1990 and to be completed by FY 1992, assuming that all tests are successful.

Funding needs for the project are presently being developed through FY 1988, with FY 1989 and beyond to be based upon the prototype results. The Bureau believes that the prototype may demonstrate areas where significant cost savings could be realized compared to the costs estimated in the feasibility study. The requested FY 1987 funding will be used for collection of existing data kept in manual form (e.g., land status and legal land description), $2,550,000 (Lower 48 Lands); defining detailed system requirements including prototype development, $1,800,000 (Data Management); and maintenance and enhancement of the existing Case Recordation sub-system data base, $662,000 (Lower 48 Lands and Data Management).

Question: You are proposing to decrease the Alaska lands conveyance program by $2,920,000 (-22%) in 1987. About 80% of the total title transfers to Natives and to the State are complete but most of the conveyances to date are interim conveyances. Only 20% of the land transferred will have had a completed survey and patent issued (p.72).

What is the major activity needed to convert these interim conveyances to final conveyances? Isn't surveying, as an example, a major activity?

Answer: Completion of adjudication and survey of "inholdings" within land blocks transferred to the State and Natives are the major activities remaining that will allow final patent. The approximately 5,000 allotments awaiting survey or remaining to be adjudicated under the Native Allotment Act and the more than 8,000 mining claims that have to be addressed have delayed patent of many areas.

Question: Most of your reduction is in the "Other Services" object class, indicating that they are probably contracted surveys. If we add funds for this program, as Senator Stevens will surely urge us to, will the Bureau have a problem using those funds effectively?

Answer: Surveying is a major activity associated with this project;

however, the surveying activity is funded by the Cadastral Survey-Alaska program element, not the Alaska Lands program element. Given the nature and magnitude of the Alaska conveyance program, added funds could be effectively used; however, we do not believe that such an increase is warranted or prudent in light of the need for fiscal restraint.

### Forest Management

Question: The Public Domain (PD) timber lands managed by the BLM produce 92 million board feet of timber annually and generate over $7 million in revenues each year. BLM is proposing to decrease the PD timber program by $1,690,000 (-25%) in 1987 by eliminating the commercial forest management program in Colorado, Montana, and Wyoming, and by reducing by 50% the commercial forest management program in Idaho (p. 83).

What will the resulting timber sales level be? (60 mmbf, for a reduction of 33% commercial acreage will also be reduced from 2.1 million acres to 1.5 million acres (-29%).) What happens to timber receipts? Dependent communities?

Answer: The estimated timber receipts from public domain lands outside of western Oregon are $3.7 million. The $7 million mentioned in the forest management portion of the Budget Justifications was the estimated value of 92 million board feet on an average. Not all of that value is returned in the form of annual direct receipts to the Federal Government. The timber sale program of 60 million board feet is a reduction of 32 million board feet from FY 1986 and would reduce estimated FY 1987 receipts in the range of one-half to three-quarters of a million dollars.

There are no communities in these States that are dependent on BLM timber as a source of their economic well being. There are some mills in these States that obtain a significant portion of their raw material needs from BLM timber.

Question: Your justification states that the "purpose of this reduction is to eliminate from the Bureau's commercial timber management program those areas where sale of timber does not produce any significant economic return when compared to the cost of preparing and administering timber sales." What about the impact on wildlife values, or other values such as water or recreation?

Answer: An economic return was determined by comparing the income received from the sale of timber to the cost of operating a timber sale program. No values for related timber sale benefits such as wildlife habitat changes, recreational access, etc., were assigned as these are hard to quantify and difficult to relate to specific timber sales.

Question: I also notice that you are proposing to eliminate funding for the PD lands in Western Oregon and instead fund the management practices on these lands from the O&C appropriation account. Is this authorized? Is new appropriations language required for the O&C account?

Answer: At present, most of the costs of managing public domain timber lands in western Oregon, which are intermingled with O&C lands and Coos Bay Wagon Road lands, are funded from the "O&C Grant Lands" appropriation. This is authorized by the present language, and new appropriations language is not required for the O&C account.

### Wild Horses and Burros

Question: How many excess animals need to be removed in 1987 to maintain 1986 population levels?

Answer: Assuming a wild horse and burro population of 46,170 animals at the beginning of FY 1987, 7,400 removals would be required to offset the anticipated population increase and maintain a steady population.

Question: How much money is needed to reach that level? How much is needed to remove 10,000? 12,000? 15,000? 18,000?

Answer: A program that would allow for removal of 7,400 animals and for the increased maintenance costs associated with the additional animals would require $16.1 million.

Corresponding budgets incorporating removal of additional animals are as follows:

| | |
|---|---|
| Removal of 10,000 animals | $18.1 million |
| Removal of 12,000 animals | $19.2 million |
| Removal of 15,000 animals | $20.8 million |
| Removal of 18,000 animals | $22.4 million |

## Grazing

Question: Are we keeping up with the monitoring workload adequately in the grazing program? I notice that you are shifting $300,000 from EIS activities to monitoring. Is that sufficient?

Answer: The $300,000 that is being shifted from the preparation of EIS's to additional rangeland monitoring is sufficient to allow us to monitor our highest priority allotments. BLM has a selective management policy that helps us to assign management priorities among allotments or groups of allotments within a planning area. The allotments that are first to be considered for monitoring and intensive management are placed in the improve or "I" category because their potential is higher than current production, present management appears unsatisfactory, issues or conflicts exist that need to be resolved, or unsatisfactory resource conditions exist. The need for intensive monitoring is reduced or eliminated from these allotments as the problems are resolved, and other priority allotments can be monitored. For example between October 1, 1982, and April 15, 1985, 2,134 decisions were issued and 1,085 agreements were developed to alleviate unsatisfactory resource conditions. The additional funding will allow us to increase the number of allotments being monitored from 4,860 to 4,925.

Question: Noxious weed control projects are not expected to increase between 1985 and 1986. Has the Bureau developed a current analysis of the acreage involved?

Answer: BLM is currently in the final stages of performing an acreage analysis. The Northwest Area Noxious Weed Control Program EIS has analyzed the noxious weed problem in five Northwest States, and the final EIS concerning chemical control of noxious weeds and undesirable plant species in the areas has been published.

Question: Last year, the Senate tried to boost the noxious weed control program by $1.0 million, which unfortunately got eliminated in conference. I am persuaded that the noxious weed control problem is a growing one. The type and size of cooperative program between states and the Federal government that exists simply isn't significant enough to bring the problem into balance. What do you recommend I do this year to help?

Answer: The Record of Decision for the Northwest Noxious Weed Control Program EIS has not been issued. The proposed action in the EIS is based on controlling the spread of noxious weeds on 44,000 acres through annual treatment.

Question: I notice that BLM has not been able to obligate all of the Range Improvement money it has received for the past 2 years. Why not?

Answer: Emphasis has been placed on completion of the livestock grazing planning and analysis necessary to ensure that efforts and funds are placed where the greatest need and potential for improvement exists. The completion of these plans, along with a requested increase in grazing management for project planning, will enable BLM to meet its commitment to use the Range Improvement appropriation in FY 1987.

Question: Your justification states that "the Bureau has implemented a policy of using grazing management funds for project planning while relying on the Range Improvement Fund to finance actual project construction and development." As I understand it, about 15% of improvements are normally funded with grazing management money.

How will you make up those foregone improvements? Will your new policy result in fewer on-the-ground improvements?

Answer: There have been no foregone improvements as a result of the policy. In addition to the policy's identifying uses of different funding sources and cost effectiveness, maintenance costs have been reduced by assigning the maintenance to the responsible parties. This has resulted in greater fund availability in the Range Improvement program for new structural development and land treatments as shown on the following table:

| | FY 1981 | | FY 1985 | | FY 1987 Estimate | |
|---|---|---|---|---|---|---|
| | Grazing | RI | Grazing | RI | Grazing | RI |
| Number of Structural Developments | 283 | 1,007 | 200 | 1,460 | 75 | 1,300 |
| Acres of Treatments | | 33,000 | | 85,765 | | 120,000 |

Question: Will all of the Range Improvement Fund receipts be obligated in 1987?

Answer: The Bureau has requested an increase in grazing management to be used for Range Improvement (RI) project planning related to expending RI funds. This increase should enable the Bureau to obligate the majority of the available RI funds in FY 1987, including the $2.8 million carried into FY 1987 from prior years.

Question: Wouldn't the ideal solution be to increase the grazing management funding in an amount sufficient to do all necessary planning for Range Improvement projects and continue to do other high return, on-the-ground improvements with grazing management money?

Answer: As stated above, the actual number of new structural improvements and/or acres treated has actually been increased under current policy. We see no reason to request an increase in grazing management funding.

### Soil, Water and Air

Question: You are proposing a decrease of $1,830,000 (-11%) in this activity. This will reduce watershed inventories, water rights activities, and watershed activity plans (p. 97). Doesn't this open the Bureau to criticism that the Bureau wants to have both commodity and non-market outputs from the public lands but does not intend to spend an adequate amount to protect soil and water quality?

Answer: The Bureau's commitment to protection of soil and water resources will not be hampered by this decrease. Watershed inventories have been decreasing as rangeland activity planning work has been accomplished, and grazing EIS's are phasing down. The net effect of the decreased funding is to extend target dates for completion of the last remaining soil surveys from 1989 to 1991, which will not affect Bureau commitments to complete ongoing planning or the livestock grazing EIS schedule.

In regard to water rights, the Bureau's objective of providing for water rights in compliance with State law is the single most important aspect of the program; and this portion of the program will be maintained at the present level of effort in 1987. Reducing watershed activity planning will not adversely affect the program as such plans have already been developed on the most critical areas.

The Bureau will continue to concentrate on monitoring watershed conditions, maintaining watershed-benefiting improvement projects, and constructing only those new projects where the most benefit can be derived, thereby continuing our commitment to watershed management.

## Hazardous Waste

Question: What is the Bureau doing in the area of hazardous waste on public lands? Of the 14 sites evaluated so far, I understand that 4 are Idaho sites. Can you tell me about those sites, what we know so far and what we plan to do? They are the Bunker Hill Mining and Metallurgical complex near Kellogg, ID; the Elk City Heap Leach, near Elk City, ID; the Champagne Creek Mine, near Grouse, ID; and the Central Cove Sanitary Landfill, in Caldwell County, ID.

Answer: BLM is inventorying and assessing potential hazardous waste sites on the public lands in an effort to identify sites of risk to the public, to discover the parties responsible for the contamination, and to determine what cleanup efforts might be required. The Bureau is working in close coordination with the Environmental Protection Agency (EPA) and State regulatory agencies because many of the problems are beyond BLM's mission and expertise.

The four known sites in Idaho vary greatly. The Bunker Hill Mine site and associated contaminated area is on the EPA National Priority List of sites scheduled for Superfund action. It is a large area of heavy metal contamination. Approximately 10 percent of the area is on public lands. EPA and the State of Idaho have taken separate actions on this cleanup. BLM is not involved at this time.

The Elk City Heap Leach site involved releases of cyanide to the environment from an active gold mining operation. Negotiations resulted in an agreement among EPA, the Idaho Department of Health and Welfare, and BLM on risks to be resolved and standards and processes for cleanup. The mining claimant also agreed and has worked to clean up the site. We understand that EPA is now in the process of releasing the mine operator from future requirements. No further actions appear to be required of BLM.

A contractor working for BLM recently completed a preliminary assessment of the Champagne Creek Mine site. The Bureau is now reviewing the contractor's draft data analysis. The initial impression is one of an extremely complex site of only moderate risk that will require further study before any significant judgments can be rendered or future actions planned.

A contract has been awarded for site investigation on the Central Cove Sanitary Landfill, and initiation of work is awaiting the spring field season. When the data from this study are available, the Bureau should be able to evaluate the conditions and risks at the site and plan further action in conjunction with EPA or the State of Idaho.

BLM has worked very closely with the State Hazardous Materials Bureau, Division of Environment, since the inception of the Idaho program. In January 1986, the two agencies signed a Memorandum of Understanding on hazardous materials management that is a model for State/Federal coordination and mutual assistance.

Question: How much are we spending at these sites?

Answer: The preliminary assessment at the Champagne Creek Mine is approximately $15,000. The site investigation at the Central Cove Sanitary Landfill has an estimated cost of $50,000.

The Bureau is not spending any funds at the other two sites mentioned above. The Environmental Protection Agency is responsible for studies underway at the Bunker Hill Mining and Metallurgical complex. Studies at the Elk City Heap Leach are being funded by the claimant, the State of Idaho and the Environmental Protection Agency.

Question: What are we doing? Are there public health risks involved? What can be done to accelerate this cleanup?

Answer: BLM is currently assessing the conditions and potential health risks of suspected and known hazardous waste sites on public lands according to priorities set in consultation with State regulatory agencies. Where significant public health and safety issues are identified, BLM acts quickly to call in regulatory agencies, such as EPA and State agencies, that have both the mission and the expertise to control immediate risks.

All the known hazardous waste sites on public lands are in the early stages of assessment, and information is limited. As additional information is developed about these sites, more detailed action plans will be prepared. The actions now being taken are appropriate to the current levels of information and known site conditions. All actions are carried out in consultation with EPA and appropriate State and local authorities. Wherever possible, the responsible party will be found to clean up the sites in order to reduce costs to the Federal taxpayer. Until more information on these sites can be gathered and assessed, there is little acceleration that can even be planned.

## Wildlife

Question: You are proposing to reduce the wildlife program by $2,160,000 (-14%). Included in the decrease is a $1,000,000 decrease (-38%) in the threatened and endangered species program, and a reduction of $860,000 in habitat management plans (a reduction of 66% in the number of HMPs written).

What impact will this reduction have on implementing your Riparian Area Management Policy?

Answer: The Bureau's riparian area management efforts are multi-resource in nature and are the responsibility of all BLM programs, not just the wildlife habitat management program. Policy implementation will be integrated into ongoing management activities. Riparian management efforts receive high priority, and we foresee no significant adverse impacts as a result of the proposed FY 1987 budget levels for the wildlife habitat management program.

Question: Please spread your DCA reduction for the record between T/E projects; HMP's written and implemented; FTEs funded; Desert Bighorn Sheep; and other high priority wildlife projects.

Answer: In 1986 the Bureau's DCA reduction for wildlife habitat management was $690,000. As a result, the revision of 20 habitat management plans and Bureau involvement in 11 recovery plans for threatened and endangered (T/E) species will be deferred. Savings will be realized by not hiring temporary employees to assist in such work and by decreasing contracted work for habitat improvement projects and maintenance on projects. The 1987 President's Budget was formulated to meet the maximum deficit amount specified for 1987 in the DCA; and, if Congress accepts this proposal, no additional DCA reductions would be necessary.

Question: We constantly hear that BLM's wildlife program is typical of its renewable resources management program in general, that is, that BLM has doggedly tried to improve its management and move the program forward but it is continually underfunded. This year seems to be no exception. Overall, the Bureau proposes a reduction of 65 FTE in the renewable program, of which 20 are in wildlife, 23 are in forest management, 15 are in recreation, and 12 are in soil and water. From 1985 actual levels, the FTE reduction is really more like 95 FTE.

The Bureau manages 340 million acres in 28 states. That is 13% of the total land surface of the United States. It seems to me that we can't continue to reduce funding (-10% this year) and staffing (-3% this year) and continue to protect those resources that are our legacy in many ways. As an aside, that is one thing that concerns me about the Deficit Control Act -- I don't believe that these programs can sustain 10 or 20% cuts without serious degradation occurring.

What can we do to help, other than just struggle to protect these funding levels?

Answer: The requested level of funding is adequate to continue appropriate levels of management and protection of wildlife habitat resources on the public lands. The proposed budget is also consistent with the Administration's desire to exercise fiscal constraint in the Federal Government and to meet the deficit reduction targets enacted in the Gramm-Rudman-Hollings Deficit Control Act of 1985.

Question: We have attempted an experimental matching funds program in the wildlife area, in an effort to generate more private sector funding. Is that program successful?

Answer: The experimental matching funds program for desert bighorn sheep has been a success. Congress provided $300,000 in FY 1985 and FY 1986 as a challenge grant for desert bighorn sheep. During FY 1985 this program resulted in contributions from non-Federal sources valued at $405,000. The combination of funds and contributions was used to complete the reintroduction of bighorn sheep into 4 areas, develop 14 new water sources, conduct 1 research project and complete survey and design work for 5 projects in future years. For FY 1986 we are planning on receiving at least $300,000 in matching funds to complete these reintroductions, 20 water projects, 2 habitat management plans and 7 habitat improvement projects. Though this program has been successful, it has served its purpose. Planning and development efforts for bighorn sheep can now be handled adequately within the regular wildlife habitat management program.

## Recreation

Question: Overall, your recreation program is proposed for a reduction of $1,784,000 (-8%) (p. 104). Does this result in reduced campground sites? Reduced visitor protection? Increased resource conflicts?

Answer: The portion of this reduction that directly impacts campgrounds, visitor protection, etc., is $844,000. This reduction in funds may result in the closure of a few camping and picnicking areas; however, at this time, we are unable to predict whether or not any areas and sites would have to be closed in FY 1987. During the past few years, some of our offices have assessed and analyzed the use received at various BLM recreation sites compared against their operating costs. As a result, it has been determined to be economically prudent to close some sites and mothball others. So far, the closures have involved the lesser used, less accessible sites that are suffering from physical deterioration. We have attempted to keep the number of closures to a minimum; and, in some cases, we have been able to keep sites open through the use of volunteers and cooperative management agreements.

The reduced funding level is not expected to seriously impact visitor protection or increase resource conflict. The Bureau should be able to accommodate these reductions because, through experience, we will be better able to define those permits, special use areas and sites which require more frequent patrol and monitoring and concentrate our efforts there.

Question: Various fossil areas will be impacted by your proposal to reduce cultural resource management activities (-15%). Do we run an increased risk of permanent and irreplaceable loss if we do not complete those site management plans or if we do not implement the cultural resource management plans which have already been developed?

Answer: The preparation and implementation of cultural resource management plans is aimed toward the long-term protection of resources. Delay in preparing or implementing a plan does not mean that protection would be foregone. Resources that are being protected at the present time, without a formal management plan, would continue to be protected. The implementation of developed plans would only be deferred in cases where delayed implementation, compensated for by continued interim protection, would not threaten the resources. Priorities would be adjusted according to the degree of threat.

## Maintenance

Question: A recently completed report on the condition of BLM roads, bridges, buildings, recreation sites, trails, and aircraft facilities in Idaho indicates that 6 of 61 (10%) buildings, 41 of 135 (30%) recreation sites, and 136 of 696 (20%) transportation facilities are in "poor" condition. While "poor" condition does not necessarily mean that the facilities are unsafe or unuseable, it does mean that they are in need of major maintenance, rehabilitation, or reconstruction.

Nationwide, 12% of BLM buildings, 20% of BLM recreation sites, and 17% of BLM transportation facilities are in "poor" condition. Yet, you are proposing to reduce 1987 appropriations by $415,000 (-4%) from the 1986 appropriation. Why is that?

Answer: The Bureau's FY 1987 Budget request was formulated on the basis of meeting the highest priority requirements for public demand-generated workloads and resource management requirements, yet meet the President's Budget targets to stay within the maximum deficit amount required for FY 1987 under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177). The estimate for maintenance funding is $108,000 greater than the level of the post-P.L. 99-177 FY 1986 adjusted appropriation level.

Question: What was your request to the Department? Their request to OMB?

Answer: Our request to the Department was $12,934,000. Their request to OMB was $13,069,000.

Question: I understand that the 1986 Appropriations Act was $12,160,000. Adjusted for the Deficit Control Act, it was reduced to $11,637,000. Your request to the Department was $12,934,000. The Department added $135,000, making their request to the OMB $13,069,000. OMB reduced the request $1,324,000, to $11,745,000. What was postponed by OMB's reduction?

Answer: The reduction is divided among our recreation maintenance, transportation maintenance, and engineering services program elements. The expected postponements are as follows: 1) planned increases in maintenance frequency (the bulk of which would have been by contract with private sources) at several of the Bureau's more intensively used recreation sites; 2) scheduled maintenance on an additional 290 miles of road and corrective maintenance on an additional 270 miles of road, as well as maintenance on 6 additional bridges; and 3) completion of 5 additional transportation plans (inventory and analysis).

Question: What can we do to help get on top of this maintenance program? Congress added over $500,000 to your request last year but some of that is being reduced this year.

Answer: We feel that we are on top of the maintenance program for FY 1987 within the level of resources requested. We agree that there are some facilities in poor condition. It is our plan to bring those facilities up to standard over the course of time as priorities allow, or to close those facilities which are no longer needed.

Question: Do you have a list of BLM buildings and other facilities that are in poor condition, in Idaho and elsewhere, and do you have a plan to improve the condition of those facilities? Would you develop such a plan for us by June 1?

Answer: We do have a list of BLM facilities in poor condition, and we have just begun a process of refining those data and assessing priority needs which we expect will result in the development of an improvement plan. We are working closely with the Department's Office of Policy Analysis and our own property management personnel in the development of a comprehensive study of BLM's maintenance programs. We expect to complete this study later this calendar year and expect that it will assist in deciding on proposed funding levels for maintenance programs in 1988.

## Construction and Access

Question: The Bureau is requesting a reduction of $195,000 (-14%) in access. Why? Isn't there a backlog of access problems that need such support as title searches, easements, and surveys? Isn't access to Federal lands by the public a fundamental management objective for the Bureau?

Answer: The $195,000 reflected a one-time FY 1986 congressional add-on for determining access and construction needs in the White Mountains NRA and Steese NCA in Alaska. While approximately 7 to 10 percent of the public land area administered by the Bureau is unavailable for public use because of the lack of legal access, we believe that we are addressing the most important needs for public access at the proposed level of funding.

### Land Acquisition

Question: Please provide for the record a list of active BLM projects; funding and acres acquired to date; long-term plans; 1986 obligations by project (an estimate is acceptable); and a summary of the number of land acquisition acres acquired in recent years through exchange, as contrasted to purchase.

Answer: The following table lists the active BLM land acquisition project funding and acres acquired to date, and projected 1986 obligations.

| Project Name | Appropriations to Date | Acres Acquired | | Estimated FY 1986 Obligations |
|---|---|---|---|---|
| | | Purchase | Exchange | |
| Rio Grande WSR | $ 580,015 | 1,448 | --- | $ 36,000 |
| King Range NCA | 4,292,635 | 1,888 | 19,954 | 826,000 |
| Pacific Crest Trail | 617,000 | 142 | --- | 123,000 |
| Upper Missouri WSR | 1,494,000 | 1,317 | 3,296 | 389,000 |
| Bizz Johnson Trail | 535,000 | 196 | 40 | 77,000 |
| Upper Sacramento River | 980,000 | 1,404 | --- | 12,000 |
| Steens Mnt. Rec. Area | 949,270 | --- | --- | 949,000 |
| Wilderness Inholdings | 475,000 | --- | --- | 475,000 |
| Navajo-Hopi Relocation | 4,500,000 1/ | --- | 150,000 | 517,000 |
| Acquisition Management | 1,154,000 | N/A | N/A | 285,000 |
| Total | $15,576,920 | 6,395 | 173,294 | $3,689,000 |

1/ $3 million of the total amount appropriated is proposed for rescission in FY 1986 in recognition of the completion of BLM's effort in this project and an absence of need for the remaining funds.

Long-term plans for the land acquisition program are to complete the active projects listed above which have been previously authorized or provided with appropriations by Congress, and for which BLM has an ongoing financial commitment. Any new projects or acceleration of acquisitions in the projects listed above will be evaluated against the Bureau's other program priorities and in light of Administration objectives and statutory requirements to achieve fiscal restraint and Federal deficit reduction.

### O&C

Question: For the O&C lands, please prepare an analysis for the record comparing activities to date with the new O&C plans completed in 1984, I believe.

Answer: The major impact has been in the forest development and reforestation portion of our O&C program. A Federal court injunction has prevented all herbicide use in forestry since 1984. Cost-effective alternatives were not available for a large portion of the areas requiring herbicide treatment. This loss of herbicide use has contributed to the cumulative backlog of site preparation and plantation release of 55,000 acres.

However, in FY 1986 a potential 100 MMBF reduction in timber sale offerings, reflecting the loss of herbicides and its impact on the survival and growth of plantations, is offset by substituting re-offered timber sales returned to BLM under the Federal Timber Contract Payment Modification Act.

At the end of FY 1986, we are also expecting that there will be a cumulative shortfall of 45,000 acres of forest fertilization and 8,250 acres of precommercial thinning against meeting the original timber management plan commitments.

Question: What is the FS and BLM proposal regarding FIR and COPE?

Answer: BLM plans to reduce its funding contributions to Fundamental FIR as the research projects are completed through FY 1990. Adaptive FIR work will continue to be funded at the present level.

The Bureau has made preliminary investigations of the applicability of the Coastal Oregon Productivity Enhancement (COPE) research program to Bureau needs. However, because of other higher program priorities, the Bureau has not proposed any funding in the FY 1987 Budget to participate in COPE.

## Hazardous Waste Sites

Question: Please provide a report on BLM hazardous waste sites, what the wastes are, their potential threat, progress to date, and the plan for taking appropriate action. Please be sure the plan includes a list of next steps that need to be taken to address each site and includes an estimate of time and money to complete the appropriate action.

Answer: On February 27, 1986, BLM provided Senator McClure with a report on hazardous waste sites on the public lands that contains the requested information, where known. In most cases, sites are in the early "assessment" phase of the process; and the information is inadequate, as yet, for remedial action plans and estimates. A copy of that report is enclosed.

## A Report to the Congress on Bureau of Land Management Hazardous Waste Management on the Public Land

### Introduction

This report of the Bureau of Land Management (BLM) describes briefly one facility on the public lands at which the treatment, storage and disposal of hazardous waste are permitted under Subtitle C of the Resource Conservation and Recovery Act (RCRA). Also described in this report are 14 sites on the public lands at which there is known to be a potential for a continuing release of a hazardous substance as defined in the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The report also briefly sets forth the actions taken or planned by the Bureau and other agencies to deal with problems at these sites.

In general, the Bureau's process for handling potentially contaminated sites on the public lands includes the following steps.

1. Inventory -- From lists of Bureau-discovered cases and cases reported by EPA, State regulatory agencies, public land users and the general public, sites are checked to see if they are on public lands and to determine who might be responsible for the contamination, if any.

2. Preliminary Ranking -- Based on available information and consultation with State regulatory agencies, sites are ranked by apparent priorities for site risk assessment. Where viable, responsible parties (primarily other Federal agencies and private firms) can be identified, they are requested to conduct such assessments.

3. Assessments -- Where no viable, responsible parties can be found, where responsible parties cannot or will not conduct assessments, or where search or negotiations would cause inappropriate delays in action on a site, BLM conducts site assessments by contract. "Preliminary Assessments" are conducted where there is a need to determine if a site has been contaminated with hazardous substance. Where the probability of contamination is high (e.g., the site may have had a known release) and identification of the pathways of contamination is important, a more detailed "Site Inspection" is conducted.

4. Consultation -- When a site is shown, as a result of such an assessment, to have significant contamination and risk, BLM consults with EPA and appropriate State agencies to discover the responsible parties and to design further investigations or remedial actions required of the Bureau.

A point important to the understanding of this report is that, other than sites referred to other Federal agencies, the hazardous materials contaminations on public lands is primarily the by-product of properly authorized non-Federal activities on the public lands and secondarily from unauthorized non-Federal dumping of chemical products on those lands. Much of the contamination is, therefore, very difficult, if not impossible for the Bureau to prevent under current laws.

Finally, this report does not cover specific cases of emergency responses to hazardous materials dumping or spills on public lands. In such incidents, usually one or a few drums of hazardous substances are dumped near a roadside; the Bureau has the drums picked up quickly to avoid them becoming a greater problem by being opened, shot at or spilled. Last year BLM responded to nearly 50 such incidents.

| Site Status | | Number of Sites* |
|---|---|---|
| Responsibility of other Federal Agencies | | 39 |
| Currently Active (Primarily Mines) | | 71 |
| No Further Bureau Action | | 24 |
| Sites Evaluated | | 14 |
| Sites to be Evaluated | | 26 |
| | Total | 174 |

*These numbers will vary as EPA adds sites and the Bureau conducts evaluations. An additional 34 sites listed by EPA as on the public lands are actually on private, State, or local government property.

As of January 1, 1986, 174 sites on lists prepared by EPA were reported both to be on the public lands and to be potentially contaminated by hazardous substances. Of these:

- 39 abandoned sites are located on lands which are, or had previously been withdrawn for the exclusive use of another Federal agency (primarily the Departments of Defense and Energy) during the period when the potential hazardous substance contamination occurred on those sites. In such cases, according to guidance furnished the Federal agencies by the Environmental Protection Agency (EPA), the responsibility for investigation and cleanup of such problems lies with the using or benefitting Federal agency rather than with the nominal "owner" agency. We have officially notified these Federal agencies of the existence of each of the potential sites and requested those agencies to take appropriate action.

- 71 are currently active sites, predominately BLM-permitted mining operations located on the public lands. Although mine wastes are currently not regulated under Subtitle C of RCRA, further investigation is considered necessary to determine the validity of the allegations. As a first step, the BLM has been notifying the operators of these facilities of the reported presence or release of such wastes and requesting the operator to investigate the reasons for such releases, etc., and to forward their findings to BLM, EPA, and the appropriate State regulatory agencies. Since no imminent hazard is known to the BLM, EPA, or the States from any of these sites, it is felt that the benefitting responsible parties (i.e., the operators) have a greater responsibility for conducting such investigations than the Federal Government. It is unknown how many of the operators will comply with the request. In the event that any operators refuse to do so, it will be necessary for BLM to undertake the investigations, possibly recovering its costs from such operators at a later date. It seems highly likely that at least some mine wastes will come under regulation in 1986. Therefore, the Bureau has programmed no further action on these sites until 1987 when followup on the notifications will begin.

- And, as determined by investigations by BLM, the States, EPA and the private sector, 24 of the sites require no further action, either because the sites were found not to be contaminated or because corrective action by regulatory agencies or responsible parties removed the risk from the sites.

An additional 34 sites reported to be on public lands have been found to be on lands outside the jurisdiction of this Bureau (e.g., private, State, or local government). Eleven of these sites have no apparent effect on natural resources on adjoining public lands. There is some possibility that the natural resources on the public lands may be adversely affected to some degree by the remaining 23 sites. With the advent of the regulations for natural resource damage assessment, it will now be possible for the Bureau to investigate these situations as resources permit.

Of the remaining sites, 14 are reported on below, and the rest either are, or will be, under investigation by a BLM contractor in FY 1986. These investigations are designed to fulfill the EPA requirements for preliminary assessments and site inspections, as appropriate. The Bureau anticipates carrying out such investigations on any future high priority sites on the public lands, as sites are identified. Further investigations will also be necessary for many of the sites discussed below.

## Sites on Public Lands Known to Contain Hazardous Substances

Three of the sites on the public lands known to contain hazardous substances are either listed on, or proposed for listing on, the National Priority List for Superfund action. A brief discussion of these sites follows.

1. Atlas Asbestos. This is a 40-acre site containing asbestos mining and milling waste piles located near Coalinga, CA. The Bureau owns roughly 1/3 of the site that was abandoned by the mining claimant prior to completion of patenting. The Bureau understands there has been one release to the air from the site caused by wind entrainment of particulate matter. Since assessment of this site is complicated by natural outcroppings of asbestos bearing materials throughout the valley in which the site is located, the Bureau is cooperating with the U.S. EPA in an "areal" remedial action/feasibility study (RI/FS) to determine the type, value, and potential effect of actions which might be undertaken to control such problems in the area as a whole. Inasmuch as there seems to be no imminent and substantial threat to human health due to an absence of potentially affected population, the Bureau is taking no site specific action pending the completion of the areal RI/FS. The Bureau will take such further actions as may seem advisable based on the conclusions of the present investigation.

2. Bunker Hill Mining and Metallurgical Complex. This is a 21 square mile areal site around Kellog, ID, which includes three towns and a small amount of Federal lands as well as State and private lands. The wastes in question include both heavy metals from mining activities and heavy metal wastes from emissions from smelting operations. The Bureau is cooperating with the State of Idaho and U.S. EPA in determining the extent to which the public lands may be involved, either as a source of the wastes, or in regard to damage to natural resources in such lands. The Bureau will continue to work with EPA and the State in addressing this complex problem.

3. Silver Creek. This is another areal site located near Park City, UT. The primary site consists of privately owned lands, originally in the public domain but patented for mining and other purposes. The area has been recently developed as a housing subdivision utilizing tailings from the discontinued mining operation. The Bureau is cooperating with the EPA and State investigations and follow up activities.

Only one site on the public lands is permitted for treatment, storage and disposal of hazardous waste under RCRA. This site, "A" Mountain, near the main campus of the New Mexico State University at Las Cruces, is leased by the University under the provisions of the Recreation and Public Purposes Act. The site is used by the University for short-term storage of laboratory wastes prior to shipping them for treatment or disposal. According to reports the site is satisfactorily operated under a valid Subtitle C permit for that purpose.

The 10 sites at which hazardous wastes are known to exist and which are not listed, or proposed for listing, on the National Priority List are discussed below.

1. Sagwon Airstrip. The hazardous wastes known to exist at this north slope airstrip in Alaska consist of nearly 500 pounds of commercial explosives in deteriorating containers and approximately 3000 discarded drums, some of which contain waste chemicals or fuels. The Bureau believes that this site may constitute an imminent safety hazard and plans to implement a corrective program in FY 1986, beginning with a site investigation and notification of responsible parties.

2. Elk City Heap Leach. Cyanide-bearing wastes have been released to surface water and shallow groundwater from this gold and silver heap leach operation located near Elk City, ID. BLM has worked closely with the mining claimant, with the State and with EPA. EPA has issued an administrative order against the operator for correction of deficiencies and proper closure of the site. At this time, control actions appear to be nearly complete. The Bureau will continue its close cooperation with the parties until such time as the matter is fully resolved.

3. Champagne Creek Mine. BLM completed the field work of a preliminary assessment of this abandoned mine, located near Grouse, ID, in mid-December of 1985. The purpose of this investigation was to provide further information on the presence of hazardous wastes known to include heavy metals, and to assess the potential for releases to the environment. When the assessment report is completed, it will be shared with both the U.S EPA and the State of Idaho Department of Environmental Quality. The views of these agencies concerning the necessity for and priority of further action will be requested. The Bureau will program further activity reflecting its, and the two regulatory agencies', analysis of the situation.

4. Union Pacific Right-of-Way. The hazardous waste at this site, located in the vicinity of Leith, NV, consists of elemental phosphorous, together with any reaction products, which were buried on public lands following derailment and partial burning of the tank car carrying the material in 1978. BLM has contacted Union Pacific requesting its cooperation in the investigation and resolution of the risks at this site. BLM has programmed an investigation of this site, by contract, for FY 1986. Further action will be dependent on the findings of that investigation and negotiation with Union Pacific.

5. Lee Acres Sanitary Landfill. This site is located on a 40-acre plot of public land near Farmington, NM, which is leased to San Juan County for use as a sanitary landfill under the provisions of the Recreation and Public Purposes Act. Although disposal of hazardous waste was not authorized, BLM has received information that indicates that inadequate control of the site by the lessee has allowed the unauthorized disposal of various hazardous wastes including toluene, benzene, trichloromethane, trichloroethene, dichloromethane, ethylbenzene, and all three isomers of xylene. Residential well water samples collected down gradient from the site contained low but detectable concentrations of similar compounds. In addition to the release of those organic compounds to the groundwater, several apparent releases of hydrogen sulfide occurred during April 1985 which resulted in injury to a total of 15 persons. This release was chemically controlled by the State of New Mexico and there are no indications that further releases of hydrogen sulfide can be anticipated from the materials known to exist on the site at this time.

While there is no question that the release to air originated from the Lee Acres site, both BLM's site investigation and independent investigations carried out by the State of New Mexico Environmental Improvement Division indicate that potential exists that the groundwater contamination may be caused, in part, by two or more private sector sources in the immediate vicinity. When the Bureau completes analysis of the new data on this very complex situation, BLM will discuss methods for resolution of the question of other contamination sources with EPA and the State prior to taking any unilateral action.

6. Flora Vista Sanitary Landfill. This site is located on a 20-acre parcel of public lands near Farmington, NM, which has been leased to San Juan County for sanitary landfill purposes under the provisions of the Recreation and Public Purposes Act. BLM has conducted a preliminary assessment which found that a number of organic hazardous wastes and hazardous substances were present on the site. These materials included benzene, 1, 1, 1 trichloroethane, ethylbenzene, methylene chloride, tetrachloroethylene, toluene, and three isomers of xylene. The report concludes that due to the mobility of these organic compounds and the hydrogeological conditions at the site, it is possible that a release may have occurred which resulted in low concentrations of contaminants in the groundwater. Should the State and EPA concur with the preliminary evaluation that the site does not present an imminent hazard to human health, the Bureau will postpone further remedial investigations beyond FY 1986 in favor of conducting higher priority investigations. The Bureau will, however, take appropriate action to prevent or control further contamination at this site and will request the State and EPA to take coordinated actions.

7. Kirtland Sanitary Landfill. This site is located on a 40-acre parcel of public land near Farmington, NM, which is leased to San Juan County for sanitary landfill purposes under the provisions of the Recreation and Public Purposes Act. BLM has conducted a preliminary assessment which determined that both inorganic and organic hazardous wastes and substances were present at the site in elevated concentrations. These materials included chromium, copper, manganese, lead, benzene, 1,2-dichlorobenzene, benzylalcohol, phenol, toluene, and xylene. The report concluded that a probability of release of one or more of these materials exists due to the mobility of the organic compounds and the hydrogeology at the site. The preliminary finding for this site indicates a relatively low priority for further action. Should the State and EPA agree with this valuation, BLM will postpone further action at the site in FY 1986 in favor of higher priority work, but take appropriate action to prevent or control further contamination at the site and request supportive actions by the regulatory agencies.

8. Lytle Boulevard Dump This is a site on public lands near Vale, OR which was operated as a dump from 1976 to 1983 by Malheur County without BLM authorization. The site was used for the disposal of pesticide containers with the proviso that the containers first be emptied and then triple-rinsed in accordance with State and Federal laws. While many of the containers were disposed of in the required manner, numerous other partially full, damaged and leaking containers were also disposed of at the site. The potential release of such wastes is considered a moderate risk and thus requires a site inspection rather than the less rigorous preliminary assessment. This work is presently scheduled under an existing contract and will be completed in early 1986. The results of the investigation will be discussed with the State, EPA and Malheur County prior to determining a further course of action.

9. Central Cove Sanitary Landfill This landfill is located on public lands in Caldwell County, ID. The State of Idaho has conducted a preliminary assessment on the site and has requested BLM to conduct a more definitive site inspection, partially on the basis of reports that approximately 30,000 pounds of fungicide, U-114, was disposed of at the site. The Bureau has contracted for such an investigation for mid FY 1986.

10. El Capitan Quarry. The site is an abandoned quarry near Lakeside in San Diego County, CA. The quarry was used as a disposal site for the period 1960 to 1980. It has been reported to BLM that during that period the site was used for the disposal of solvents and paint manufacturing wastes. BLM plans to conduct an investigation of the site in this fiscal year.

In summary, the Bureau is taking action or working with the lead agency on all sites on the public lands known to be contaminated by hazardous substances. Many of these sites are in very early stages of the cleanup process and information is limited. As expertise and information are developed in these program activities, more detailed action plans will be prepared. The action now taken is appropriate to the current level of information and resources and is done in close coordination with EPA, and State and local agencies as well as private firms and parties.

As new sites are discovered on the public lands, they will go through the Bureau's winnowing procedures previously outlined. But at any one time known contaminated sites on the public lands will be at different stages of assessment and cleanup. Priorities for future action are to complete the acquisition of information for site cleanup planning, prepare cost-effective, coordinated plans for remedial action where no viable, responsible party can be found, and continue to review BLM program activities for methods of preventing future site contaminations and reducing Federal liability from abandoned hazardous wastes.

## Maintenance of BLM Facilities

Question: Please provide a report on the condition of BLM facilities (buildings, transportation system, dams, campground and recreation sites, etc.) and a plan for accelerated maintenance, if warranted.

Answer: We have completed the requested report (Facilities Condition Survey Report) and will provide a plan of action when it is completed. A copy of the completed report is enclosed.

## Bureau of Land Management
## Facilities Condition Status Report
## January 1986

### Introduction

In House Report 99-205, the Committee on Appropriations indicated a concern "that BLM facilities may be deteriorating and wants to be certain that facility improvement and development money is provided if there is a need. Therefore, the Committee asks that the bureau provide by February 1, 1986, a status report on the condition of BLM facilities."

To gather the necessary information to develop this report, BLM State Offices (including western Oregon) were requested to submit condition status analyses of the buildings, recreation sites, roads, trails, bridges, and aircraft facilities within each State Office jurisdiction.

### Condition Category Definitions

For the purpose of this report, the condition of BLM's facilities has been ranked in three broad categories of Good, Fair, and Poor. The definitions of these categories as used in this report are as follows:

Good - Currently in good condition and receiving adequate maintenance to keep it that way.

Fair - In need of some additional maintenance and/or not receiving adequate maintenance to keep it in good condition.

Poor - In need of major maintenance/rehabilitation or reconstruction.

It should be realized that these definitions of condition are somewhat subjective and that the reported condition of the facilities studied were compiled through individual interpretation in 11 separate BLM State Offices. The categories also do not imply that any BLM facilities are unsafe or unusable, or that any facilities are being intentionally neglected.

### Summary

A Bureauwide synopsis of the data gathered indicates that about 56 percent of the 1,062 buildings included in the analysis are considered to be in good condition. About 32 percent were reported in fair condition and 12 percent were considered in poor condition. The types of buildings include office buildings, warehouses, shops, storage buildings, fire stations, lookouts, water and sewer systems, parking areas and wareyards that are BLM-owned, or for which BLM is responsible for maintenance.

Recreation sites include both developed and undeveloped recreation sites which are maintained by BLM. Primitive sites requiring little, if any, maintenance are not included. About 27 percent of the 1,013 sites reviewed were considered to be in good condition, 53 percent were reported in fair condition, and the remaining 20 percent were in poor condition.

Transportation facilities are reported as the number of named roads, trails, bridges, heliports, and landing strips that require maintenance by BLM. Approximately 38 percent of BLM's transportation facilities were reported to be in good condition, 45 percent were in fair condition and 17 percent were considered in poor condition.

The following summary table shows the number of facilities rated in each category by BLM State Office. It can be seen from the table that Oregon has significantly more transportation facilities than the other BLM States combined. The units shown for Oregon translate to about 24,000 miles of roads, as well as named trails, bridges and other reported transportation facilities, and include those roads associated with the Oregon and California Grant Lands and other commercial forest lands in western Oregon managed by BLM.

BLM Facilities Condition Status Report
Summary Table

| | Buildings | | | Recreation Sites | | | Transportation Facilities 1/ | | |
|---|---|---|---|---|---|---|---|---|---|
| State | Good | Fair | Poor | Good | Fair | Poor | Good | Fair | Poor |
| Alaska | 114 | 25 | 15 | 3 | 14 | 6 | — | 8 | 3 |
| Arizona | 16 | 2 | 2 | 15 | 11 | 6 | 2 | 8 | 4 |
| California | 45 | 32 | 11 | 92 | 144 | 82 | 47 | 33 | 36 |
| Colorado | 10 | 4 | — | 14 | 37 | 3 | 261 | 380 | 456 |
| Idaho | 20 | 35 | 6 | 35 | 59 | 41 | 255 | 305 | 136 |
| Montana | 26 | 18 | 8 | 20 | 28 | 5 | 90 | 37 | 13 |
| Nevada | 20 | 45 | 16 | 15 | 18 | 10 | 11 | 5 | 8 |
| New Mexico | 20 | 9 | — | 6 | 4 | — | 11 | 16 | 22 |
| Oregon | 217 | 129 | 62 | 48 | 167 | 8 | 26,858 | 32,827 | 12,130 |
| Utah | 95 | 31 | 6 | 13 | 36 | 31 | 3 | 60 | 110 |
| Wyoming | 13 | 8 | 2 | 33 | 7 | 2 | 92 | 134 | 30 |
| Total | 596 | 338 | 128 | 294 | 525 | 194 | 27,630 | 33,813 | 12,948 |
| Percent of Total | 56 | 32 | 12 | 27 | 53 | 20 | 38 | 45 | 17 |

1/ Transportation facilities are reported as the number of named/numbered segments of roads, trails, bridges, heliports, and landing strips requiring maintenance by BLM.

## Reforestation and TSI Backlogs

Question: Please provide a report showing the amount of reforestation and timber stand improvement backlog in BLM lands. Also provide a plan indicating how long it would take at current funding levels to eliminate the backlog and also much money it would take to eliminate the backlog in 5 years. I am confused by the report I have seen, which seems to indicate that we reforested 863 acres in 1985 but have 22,913 acres yet to be reforested. Please clarify with appropriate narrative.

Answer: A copy of the recent report on 1985 accomplishments is enclosed. In 1984, at the request of Congress, BLM prepared a report dealing with reforestation backlogs on public domain lands. In that report BLM identified backlogged needs of approximately 20,000 acres of reforestation, 23,000 acres of precommercial thinning, and 42,000 acres of commercial thinning. These acreage figures were based on the best estimates available from the BLM State offices at that time. In FY 1985 Congress provided $1,500,000 in appropriations to BLM to start a program to eliminate the reforestation backlog on public domain lands. To that end, BLM completed 96,376 acres of reforestation surveys in FY 1985 to be able to accurately account for the actual reforestation acres backlogged. In addition, BLM completed 1,221 acres of site preparation work, 863 acres of reforestation, and 2,804 acres of timber stand improvement during FY 1985. In October 1985, the BLM State offices were directed to begin the preparation of a formal, long-range (5-7 years) reforestation plan to eliminate identified backlogs. That plan will be based on the data obtained from the recently completed reforestation surveys and should indicate a schedule of work based on the availability of manpower, technical capability and reasonable cost factors.

## BLM REPORT ON REFORESTATION AND TIMBER STAND IMPROVEMENT (TSI) BACKLOG

FEBRUARY 1986

Displayed on the following tables are the BLM accomplishments toward the reforestation and TSI backlog through the end of FY 1985. Planned FY 1986 accomplishments are not yet available due to the enactment of the final appropriations act late in calendar year 1985 and the calculation of P.L. 99-177 (Gramm-Rudman-Hollings) effects on program plans.

### FY 1985 ACCOMPLISHMENTS

| State | Total Acres Reforestation Backlog Congressional Report | Accomplished Acres of Reforestation Survey | Accomplished Acres-Site Preparation | Accomplished Acres Reforestation |
|---|---|---|---|---|
| CA | 3,563 | 23,000 | 220 | 140 |
| CO | 5,063 | 1,185 | 170 | 95 |
| ID | 1,669 | 44,000 | 270 | 156 |
| MT | 7,010 | 4,749 | 252 | 176 |
| OR | 2,808 | — | — | 61 |
| WY | 2,800 | 23,442 | 309 | 235 |
| Total | 22,913 | 96,376 | 1,221 | 863 |

| State | Total Acres TSI Backlog Congressional Report | Accomplished TSI Acres Pre-commercial Thinning | Accomplished Acres Other TSI | Accomplished Acres Total TSI |
|---|---|---|---|---|
| CA | 663 | 330 | 93 | 423 |
| CO | 334 | 176 | — | 176 |
| ID | 2,408 | 325 | — | 325 |
| MT | — | — | — | — |
| OR | 15,704 | 1,330 | 187 | 1,517 |
| WY | 3,847 | 363 | — | 363 |
| Total | 22,956 | 2,524 | 280 | 2,804 |

## Noxious Weed Control

Question: Please submit for the record a copy of the state EIS covering noxious week control activities.

Answer: A copy of the Noxious Weed EIS is reatined in the committee's files.

## QUESTIONS SUBMITTED BY SENATOR MARK HATFIELD

### O&C Lands

Question: Of the $1.292 million included in the base budget for FIR research, how much is for adaptive research and how much is for fundamental phases of the program?

Answer: The FY 1987 Budget request for FIR is $1,028,000, a decrease of $274,000 from the Base, as a result of the completion of certain studies and research projects by FY 1987. The breakdown of the FY 1987 request is as follows:

| | |
|---|---|
| Adaptive FIR | $ 300,000 |
| Fundamental FIR | 728,000 |
| Total | $1,028,000 |

Question: The BLM justification mentions that the adaptive phases of the FIR program may be extended in order to facilitate application of FIR research findings. Please summarize those findings which need additional time for implementation, and provide an estimate of out year budget needs for this work.

Answer: The purpose of the Adaptive FIR phase is to adapt research completed by Fundamental FIR projects to field conditions. The following Fundamental FIR projects will be completed in FY 1989 and will need time for implementation through Adaptive FIR:

Site-specific Reforestation for Siskiyou Mountains
Responses of Crop Trees to Operations Release
Mycorrhizal Inoculum for Use in Nurseries
Effects of Site Prep on Douglas Fir Plantations
Ecological and Silvicultural Consequences on Vegetation Management Growth
Rates of SW Oregon Shrub Species
Breeding Zones for 3rd Commercial Tree SW Oregon
Radio Methods for Evaluation of Nursery Stock Quality

The estimated outyear funding for Adaptive FIR work is $300,000 per year through FY 1991.

Question: The southern Oregon FIR research program is currently being emulated in a coastal development research effort COPE, sponsored by Oregon State University, aimed at increasing timber productivity along the Pacific Northwest coast. Because of the similarities in the framework and goals of the FIR and COPE programs and because of the enormous value of coastal timber lands, would BLM consider funding the COPE program as the FIR program is phased-out?

Answer: While BLM field officials have done some preliminary analysis of the COPE program, all of the necessary analysis and reviews have not been completed, nor has the program been considered by the Director or the Secretarial offices. Consequently, we do not know at this time whether the COPE program will be funded by BLM as the FIR program is phased down.

Question: Please provide a table outlining the receipt payments made to O&C counties, and separately all other BLM lands in Oregon, between 1975 and 1986 and what those payments might be in FY 87 and beyond assuming "net" receipt sharing, rather than the current "gross" revenue sharing formula.

Answer: The information is shown in the following table:

A History of BLM Payments to Oregon from Receipts
(Dollars in thousands)

| Receipt Source County/State | 1975 | 1976 | TQ | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 2/ | 1987 Estimated 4/ Gross Payments | 1987 Estimated 4/ Net Payments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Fiscal Year Payments Made 1/ | | | | | | | | | | | | | | |
| O&C/CBWR | | | | | | | | | | | | | | | |
| Benton | 1,624 | 1,387 | 1,661 | 831 | 2,980 | 2,425 | 2,719 | 2,743 | 2,725 | 1,104 | 1,327 | 1,854 | 1,718 | 1,829 | 1,127 |
| Clackamas | 3,207 | 2,739 | 3,281 | 1,641 | 5,886 | 4,789 | 5,371 | 5,417 | 5,381 | 2,181 | 2,620 | 3,662 | 3,392 | 3,613 | 2,226 |
| Columbia | 1,190 | 1,016 | 1,218 | 609 | 2,184 | 1,777 | 1,994 | 2,011 | 1,997 | 810 | 973 | 1,359 | 1,260 | 1,341 | 826 |
| Coos | 3,956 | 3,658 | 4,510 | 1,751 | 7,276 | 6,608 | 6,288 | 6,240 | 6,512 | 2,817 | 3,267 | 4,324 | 4,024 | 4,299 | 2,824 |
| Curry | 2,109 | 1,801 | 2,158 | 1,079 | 3,871 | 3,150 | 3,532 | 3,563 | 3,539 | 1,434 | 1,723 | 2,408 | 2,231 | 2,376 | 1,464 |
| Douglas | 14,606 | 12,533 | 14,994 | 7,728 | 26,758 | 21,954 | 24,267 | 24,492 | 24,346 | 9,913 | 11,971 | 16,645 | 15,423 | 16,430 | 10,167 |
| Jackson | 9,056 | 7,733 | 9,264 | 4,632 | 16,617 | 13,522 | 15,164 | 15,295 | 15,193 | 6,158 | 7,398 | 10,339 | 9,578 | 10,201 | 6,284 |
| Josephine | 6,981 | 5,961 | 7,142 | 3,571 | 12,810 | 10,424 | 11,690 | 11,791 | 11,712 | 4,747 | 5,704 | 7,971 | 7,384 | 7,864 | 4,844 |
| Klamath | 1,352 | 1,155 | 1,383 | 692 | 2,481 | 2,019 | 2,265 | 2,284 | 2,269 | 920 | 1,105 | 1,544 | 1,430 | 1,523 | 938 |
| Lane | 8,824 | 7,535 | 9,028 | 4,514 | 16,193 | 13,176 | 14,777 | 14,904 | 14,805 | 6,001 | 7,210 | 10,075 | 9,333 | 9,941 | 6,123 |
| Lincoln | 208 | 178 | 213 | 106 | 382 | 311 | 348 | 351 | 349 | 141 | 170 | 238 | 220 | 234 | 144 |
| Linn | 1,526 | 1,303 | 1,561 | 780 | 2,800 | 2,278 | 2,555 | 2,577 | 2,560 | 1,038 | 1,246 | 1,742 | 1,614 | 1,719 | 1,059 |
| Marion | 844 | 720 | 863 | 432 | 1,548 | 1,260 | 1,413 | 1,425 | 1,416 | 574 | 689 | 963 | 892 | 950 | 585 |
| Multnomah | 630 | 538 | 644 | 322 | 1,156 | 941 | 1,055 | 1,064 | 1,057 | 428 | 515 | 719 | 666 | 710 | 437 |
| Polk | 1,248 | 1,066 | 1,277 | 639 | 2,291 | 1,864 | 2,090 | 2,108 | 2,094 | 849 | 1,020 | 1,425 | 1,321 | 1,406 | 866 |
| Tillamook | 324 | 276 | 331 | 166 | 594 | 483 | 542 | 547 | 543 | 220 | 264 | 370 | 342 | 365 | 224 |
| Washington | 364 | 311 | 373 | 186 | 668 | 544 | 610 | 615 | 611 | 248 | 297 | 416 | 385 | 410 | 253 |
| Yamhill | 416 | 355 | 425 | 213 | 763 | 621 | 697 | 703 | 698 | 283 | 340 | 475 | 440 | 469 | 289 |
| Subtotal, O&C/CBWR | 58,465 | 50,265 | 60,326 | 29,892 | 107,258 | 88,146 | 97,377 | 98,130 | 97,807 | 39,866 | 47,839 | 66,529 | 61,653 | 65,680 | 40,680 |
| Mineral Leasing | 36 | 34 | 31 | 4 | 244 | 198 | 232 | 306 | 1,084 | 4,415 | 2,976 | 1,761 3/ | 1,881 3/ | 1,976 3/ | 1,801 3/ |
| Grazing | 100 | 97 | 122 | 10 | 212 | 200 | 264 | 321 | 330 | 242 | 220 | 187 | 187 | 187 | 187 |
| Sale of Land & Material | 292 | 201 | 21 | 117 | 298 | 292 | 473 | 414 | 581 | 205 | 196 | 481 | 324 | 430 | 430 |
| TOTAL | 58,893 | 50,597 | 60,500 | 30,023 | 108,012 | 88,836 | 98,346 | 99,171 | 99,802 | 44,728 | 51,231 | 68,958 | 64,045 | 68,273 | 43,098 |

A History of BLM Payments to Oregon from Receipts
(Dollars in thousands)

| Receipt Source County/State | Fiscal Year Payments Made 1/ | | | | | | | | | | | | | 1987 Estimated 4/ | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1975 | 1976 | TQ | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 2/ 1986 | Gross Payments | Net Payments |
| Mineral Leasing | 36 | 34 | 31 | 4 | 244 | 198 | 232 | 306 | 1,084 | 4,415 | 2,976 | 1,761 3/ | 1,881 3/ | 1,976 3/ | 1,801 3/ |
| Grazing | 100 | 97 | 122 | 10 | 212 | 200 | 264 | 321 | 330 | 242 | 220 | 187 | 187 | 187 | 187 |
| Sale of Land & Material | 292 | 201 | 21 | 117 | 298 | 292 | 473 | 414 | 581 | 205 | 196 | 481 | 324 | 430 | 430 |
| TOTAL | 58,893 | 50,597 | 60,622 | 30,023 | 108,012 | 88,836 | 98,346 | 99,171 | 99,802 | 44,728 | 51,231 | 68,958 | 64,045 | 68,273 | 43,098 |

1/ Generally speaking, receipts are collected in one fiscal year with payments to counties from those receipts being made early in the following fiscal year. For example, the estimated payments in the 1987 column would result from receipts collected in FY 1986.

2/ Sequestration amounts under P.L. 99-177 have not been subtracted from the FY 1986 payments.

3/ The responsibility for collection of receipts and payments to States from mineral leasing was transferred to the Minerals Management Service in FY 1984.

4/ The impact of the "net receipts sharing" proposal for FY 1988 and FY 1989 is expected to be similar to that shown for FY 1987. It should also be noted that the current proposal would not impact payments from receipts generated by CBWR lands, sale of public land and material or grazing fees.

## BLM/FS Interchange

Question: Please provide a general description of the proposed draft interchange legislation and how it differs from earlier proposals. Please provide a table outlining the FY 1987 and out year budget impacts on the BLM and counties whose payments may be impacted by such legislation.

Answer: An earlier version of the BLM/Forest Service interchange proposal was included in the FY 1986 President's Budget in anticipation of submission of proposed legislation to Congress. Over the past year, BLM has analyzed and refined the original interchange proposal as a result of input received from the public, other Federal, State and local agencies and consultations with Congress. Major changes between the earlier interchange proposal presented in the FY 1986 President's Budget and the current proposal include:

- Retaining management responsibilities for the Oregon and California Grant Lands in BLM;
- Maintaining the present Forest Service management responsibilities for the Big Horn National Forest in Wyoming and retaining the Toiyabe and Humbolt National Forests in Nevada; and
- Modifying some additional boundaries in Idaho and California.

Proposed legislation for the interchange was submitted to Congress in February 1986. Further details on the overall proposal are contained in the attached Interchange Summary.

The following table shows projected costs and savings expected to result from implementation of the BLM/FS Jurisdictional Interchange.

BLM/FS JURISDICTIONAL INTERCHANGE
(Dollars in Millions)

COSTS

| Agency | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 87-91 Totals | FY 87-89 Totals |
|---|---|---|---|---|---|---|---|
| BLM | 4.8 | 2.4 | 2.4 | 0.0 | 0.0 | 9.6 | 9.6 |
| FS | 7.2 | 3.6 | 3.6 | 0.0 | 0.0 | 14.4 | 14.4 |
| Totals | 12.0 | 6.0 | 6.0 | 0.0 | 0.0 | 24.0 | 24.0 |

SAVINGS

| Agency | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 87-91 Totals | FY 87-89 Totals |
|---|---|---|---|---|---|---|---|
| BLM | 1.4 | 4.2 | 5.6 | 5.6 | 5.6 | 22.4 | 11.2 |
| FS | 2.1 | 6.3 | 8.4 | 8.4 | 8.4 | 33.6 | 16.8 |
| Totals | 3.5 | 10.5 | 14.0 | 14.0 | 14.0 | 56.0 | 28.0 |

NET SAVINGS

| Agency | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 87-91 Totals |
|---|---|---|---|---|---|---|
| BLM | -3.4 | 1.8 | 3.2 | 5.6 | 5.6 | 12.8 |
| FS | -5.1 | 2.7 | 4.8 | 8.4 | 8.4 | 19.2 |
| Totals | -8.5* | 4.5 | 8.0 | 14.0 | 14.0 | 32.0 |

* Costs exceed savings in the first year of implementation - FY 1987.

# BUREAU OF LAND MANAGEMENT/FOREST SERVICE INTERCHANGE NATIONAL SUMMARY AND LEGISLATIVE PROPOSAL

## INTRODUCTION

### The Interchange Proposal - One Year Later

Submission of legislation to Congress to improve management of federal lands and resources by the Bureau of Land Management and the Forest Service culminates a year long process of consultation and intensive analysis by the two agencies. The legislative proposal, entitled "Federal Lands Administration Act of 1986", otherwise known as Interchange, would transfer by Congressional approval, an estimated 25 million acres of land between the two land management agencies. It would also transfer minerals management authority to the Forest Service for its area of jurisdiction.

With the stated goals of enhancing public service, improving management efficiency and saving agency costs, BLM Director Robert Burford and Forest Service Chief R. Max Peterson announced the concept last January 30, 1985, and directed their field offices to work with the public to refine the concept and to define specific details of how the initiative could best be implemented.

In the intervening months, the BLM and the Forest Service pursued an intensive public participation effort. The proposal was discussed with Congressional delegations, Governors, individuals, and hundreds of key public groups in more than 600 documented consultations, and a series of 85 public meetings were held throughout the east and west. Through these consultations and an intensive analysis conducted by agency field offices, a refined, formal proposal was developed.

The proposal, as described in detailed State-by-State implementation guides, along with a national summary and legislative concepts, were distributed to interested parties. Beginning June 7 and ending July 8, the agencies held a formal 30-day public review. In addition, formal public hearings were conducted in 30 locations during this period. More than 2,350 responses to the invitation to comment on the proposal were submitted. These included 16 petitions with 5,367 signatures. Following analysis, highlights of the comments were published in August 1985.

The comments proved to be invaluable in further refining the Interchange proposal. Few commenters addressed the legislative concepts. Most expressed support for the stated objectives, but also voiced their concern over, or opposition to specific elements of the proposal.

One issue raised by respondents was the question of the need for an environmental analysis. In response to this recommendation, the agencies have prepared a Legislative Environmental Impact Statement (LEIS). This document is prepared under Council of Environmental Quality regulations, and is different from other environmental impact statements in that it is submitted to Congress within 30 days of submitting the proposed legislation. Public comments from the various meetings, consultations and hearings were used in developing the LEIS. Since an LEIS is an advisory document for Congress, it was not issued for additional public comment.

Modifications to the June 7 Interchange proposal have resulted in adjustments in acreage, personnel and cost savings estimates. The revised proposal continues to meet the stated objectives of enhanced public service, improvements in management efficiency and reduced agency costs.

The proposed legislation is based on the following assumptions:

- o Either agency has the potential to manage any of the lands and their resources, regardless of classification or designation.

- Intensity of land management would remain the same regardless of jurisdiction.
- There would be minimal change in on-the-ground management, regardless of which agency had management responsibilities.
- Offices would remain in or near the communities where either the FS or the BLM are now located, although consolidation of many offices would take place.
- Neither "acre-for-acre" nor "value-for-value" considerations would be criteria for judging Interchange proposals.
- Existing land use planning would continue as scheduled and current land use plans would be followed until updated through normal revision schedules of the agencies receiving the land.
- Impact on agency personnel would be minimized.

This document includes the national summary and legislative proposal in brief. Fifteen individual State guide summaries are available in separate packages.

## BACKGROUND AND RATIONALE

### Historical agency land patterns

The Federal government administers about one-third of the land area in the United States. The BLM and the FS have the responsibility for managing the majority of these lands. In the 48 contiguous States, the BLM manages about 177 million acres and the FS about 169 million acres.

In many areas, the National Forests administered by the FS and the public lands administered by BLM are scattered and intermingled. Many of these existing land patterns are accidents of history, products of compromise, and the results of separate unrelated land actions dating back to the 1800's.

National policy, during most of the 19th century, promoted settlement and development of the West by disposing of public domain lands acquired through purchase, treaties and wars. Between 1812 and 1935, the United States disposed of more than one billion acres to private individuals and organizations through land sales, homesteading, and land grants to railroad companies. The grants to railroads were typically specific alternate sections of land on each side of the railroad right-of-way, resulting in checkerboard land ownership patterns. In addition, when States were created they received blocks of public domain lands as grants to support schools and colleges. In the west, these grants usually consisted of sections of land interspersed throughout the public domain lands.

While disposing of public domain lands, Congress also set aside lands for specific purposes. The President was also given authority to withdraw certain lands for specific uses. Beginning in the late 1890's, several Presidents withdrew lands for Forest Reserves. In 1905, responsibility for these reserves (now designated National Forests) was established in the Department of Agriculture, through the FS. The remaining public domain lands were managed by the Department of the Interior, through the old General Land Office until 1946 when the BLM was formed by merging the General Land Office and the Grazing Service. As a result of all these activities, present BLM and FS jurisdictions in many areas lie side by side or are intermingled.

### Modern-day management and public needs

These overlapping and intermixed jurisdictions present many management inefficiencies. In many instances, the lands administered by the two agencies are very similar in character, sharing the same users, management problems, and resources values. Often, the two agencies have offices in the same communities, with separate staffs performing essentially the same kind of duties. This situation currently exists in 71 communities.

These situations result in duplication of effort and manpower, creating waste, inefficiency, and unnecessary confusion for those who deal with either agency.

## Resolving the problem

These problems have been recognized for decades and various attempts have been made to rectify the situation. The Interchange proposal now under consideration had its beginnings with a 1979 Presidential environmental message describing the "urgent need for genuine cooperation" between BLM and the FS to improve coordination of the country's natural resource program.

The Secretaries of Agriculture and the Interior were directed to develop coordination objectives for boundary adjustments to permit more effective management of the lands. The Secretaries responded in 1980 with a plan outlining a program to identify lands where the transfer of jurisdiction between BLM and FS had the potential for increasing efficiency and cost-effectiveness of federal land management. In 1981, BLM Director Robert F. Burford and FS Chief R. Max Peterson reinforced commitment to this effort by issuing guidelines directing field officials to review public and national forest lands for transfer potential.

Two major outside studies have provided further impetus to this important effort:

1) the President's Private Sector Survey on Cost Control in the Federal Government, often called the Grace Commission, estimated substantial savings from a BLM/FS realignment; and

2) the Congress' General Accounting Office report issued in December 1984 noted a potential cost saving of $33 million a year—after initial implementation costs—plus substantial improvement of services to the public along with management efficiency.

## BLM/FS Interchange

These historical factors, along with the increasing public demand for more efficiency in government and better public service, led the two agency heads in early 1985 to propose a nationwide BLM/FS Interchange to resolve these recognized, longstanding problems. Three mutual goals were established at the onset to guide the agencies in developing the proposal: to enhance public service, to improve agency efficiency in managing natural resources, and to reduce agency costs.

BLM Director Burford and FS Chief Peterson both feel the proposal meets the three goals they established. They also believe that if implementation of the Interchange is approved by Congress, it will make substantial progress toward improving the management and use of both the National Forests and public lands to the benefit of all Americans.

## OVERVIEW OF PROPOSAL

### Introduction

The Interchange proposal consists of hundreds of coordinated, interrelated actions that would take place on National Forest and public lands and in BLM and FS offices throughout the country after Congressional approval. These site specific elements of Interchange are explained in the revised State summaries now available for public review.

However, Interchange also draws together all these diverse elements into a unified, cohesive national management approach for both the FS and BLM. To assist in providing this national perspective, certain similar elements of the State by State plans have been combined to give the public an overview of the entire proposal. These major elements are summarized below.

Acreage (Lower 48 States; no surface acreage transfer is proposed in Alaska)

| SURFACE MANAGEMENT (acres) | BLM | FS |
|---|---|---|
| Before Interchange | 177.1 million | 168.7 million |
| After Interchange | 171.7 million | 174.1 million |
| Net Change | -5.4 million | +5.4 million |

Acres that would transfer from BLM to FS: 14.8 million

Acres that would transfer from FS to BLM: 9.4 million

SUBSURFACE (Mineral estate acres) (Lower 48 States; details on minerals in Alaska are in the Alaska State Summary)

| | BLM | FS |
|---|---|---|
| Before Interchange | 420 million | 0 |
| After Interchange | 216 million | 204 million |

Organization

At present, there are 71 towns in which both the FS and BLM have offices. After Interchange, that figure would drop to 36 towns. Each of the 71 towns would retain at least one of the two offices. These changes would affect FS Supervisor and Ranger District Offices and BLM District and Resource Area Offices. Details on these proposed mergers, co-locations, and other actions are found in the State Summaries.

The changes proposed do not mean that service to the public would suffer; in fact, the public should find it easier to deal with one agency instead of two in many of these towns. The major benefit of these proposed changes is that people needing permits, assistance, or information related to National Forest System and public lands would generally find help at a single location.

Personnel (Lower 48 States, excludes Alaska)

| Permanent Employees | BLM | FS |
|---|---|---|
| Before Interchange | 7,400 | 29,100 |
| After Interchange | 6,950 | 29,200 |
| +/- | -450 | +100 |

Total positions saved 350

(This reduction in personnel is to be achieved through normal attrition, with no adverse personnel actions, such as layoffs, anticipated.

Anticipated Costs/Savings (Lower 48 States, excludes Alaska)

A. Implementation Costs over a 5-Year Period:

| | |
|---|---|
| Personnel Costs | $13-$14 million |
| Space Costs | $5- $6 million |
| Other Costs | $3- $4 million |
| Total | $21-$24 million |

B. Savings the First 5 Years:

| | |
|---|---|
| Personnel Savings | $41-$42 million |
| Space Savings | $10-$11 million |
| Other Savings | $2- $3 million |
| Total | $53-$56 million |

C. Average Annual Savings After Full Implementation: $13-$15 million (The bulk of the savings after the first 5 years will be in reduced personnel costs.)

Records

The BLM would remain as the agency with responsibility for maintaining the official public land status records. These records, which deal with both land and mineral ownership, would remain in the same locations where they are now in the western states. In the eastern states, the minerals records would be maintained by the Forest Service along with the official minerals leasing records and files at Regional Offices in Atlanta and Milwaukee.

Lands and Renewable Resources

The Interchange would result in the transfer between the BLM and FS of some areas with important resource values and high levels of public interest. A number of designated wilderness areas, wild and scenic rivers, commercial forest areas, livestock grazing allotments, wildlife areas, and wild horse and burro ranges are involved in the proposal.

Both the BLM and FS have similar renewable resource mandates and have the capability of managing these important values in a similar manner. The lands would continue to be operated in the same way and under the specific statutes (such as the Wilderness Act, the Wild and Scenic Rivers Act, the Taylor Grazing Act and the Wild, Free-roaming Horse and Burro Act) established by Congress to guide their management.

Existing land use plans covering the management of these resources would be followed by both agencies. Land use plans will not be revised as a direct result of the Interchange, but would be updated according to each agency's planning procedures and schedules. Specific information on the numbers of areas and types of resources that would be affected by the Interchange are in the State by State summaries, available for review at BLM State Offices and FS Regional Offices.

Minerals

Presently, the minerals responsibility for National Forests is split between BLM and the FS. The BLM is responsible for lease issuance and supervision of lease operations while the FS is responsible for surface management activities. FS personnel review lease applications to determine surface effects and make recommendations to BLM regarding lease issuance.

The proposed Interchange legislation would transfer responsibility from BLM to the FS for approximately 204 million acres of mineral (subsurface) estate. The FS would then be responsible for minerals management, including lease issuance and operational supervision for all Federal minerals within its areas of jurisdiction, including reserved Federal minerals underlying State and private lands. This would result in consolidating responsibilities for minerals within clearly defined geographic areas.

The proposed Interchange would not alter existing Federal mineral status for Indian lands held in trust by the Secretary of the Interior, nor the royalty management activities of the Department of the Interior.

The transfer of minerals authority to the FS would result in a shift in workload between the two agencies. To address this shift, personnel with minerals expertise would be transfered from BLM to FS. Not all minerals functions, however, are ones which lend themselves to a clear workload division between the two agencies, since they are highly technical functions performed for a large geographic area. The two agencies intend to perform some on a "shared services" basis, which means that employees with the expertise would perform the work regardless of their employing agency, to ensure that technical expertise is used to the best advantage; that consistency of minerals policy is maintained; and that service to the public is not disrupted.

After passage of legislation, there would be an estimated net shift of approximately 175 to 200 mineral specialists, technicians, and support personnel from BLM to FS to carry out this responsibility.

Based on the currently proposed Interchange boundaries, the estimated workload distribution for certain Federal mineral activities is outlined below:

Minerals Activity, Post-Implementation
(Percent of Total on Federal Non-Indian Lands)

| Activity | BLM | FS |
|---|---|---|
| Phospate leasing | Major | Minor |
| Lead/zinc leasing | 0 | 100 percent |
| Hardrock mining claims | 60 percent | 40 percent |
| Underground coal leasing | 30 percent | 70 percent |
| Surface coal leasing | 85 percent | 15 percent |
| Oil and gas leasing | 75 percent | 25 percent |
| Producing oil and gas leases and wells | 95 percent | 5 percent |
| Geothermal leases | 90 percent | 10 percent |
| Producing geothermal leases | 60 percent | 40 percent |

Information on distributions on a State or regional basis is available from the appropriate BLM State and FS Regional Offices.

## Increased Public Service

Service for those who need to deal with the BLM and Forest Service for a variety of uses on public and forest lands would be improved as a result of the Interchange. For example, about 2,000 holders of grazing permits would deal with just one agency; about 13,000 lease holders of leasable minerals permits would have to deal with one agency, rather than two; almost 200 recreation permitees would go to one agency, rather than two; and nearly 700 holders of other types of permits would be able to go to one agency to conduct their business.

## Public Involvement

As mentioned earlier, public involvement has been an integral part of developing the original Interchange proposal and refining it to its present form now submitted for Congressional review.

Almost three-fourths of all public responses submitted during the formal public review addressed specific State issues. These specific issues are discussed further in the State summaries. There were several general concerns and comments directed toward the national aspects of the proposal. Some of the most pertinent included suggestions the BLM and Forest Service should consider other alternatives to the Interchange proposal, such as maintaining the status-quo; considering small scale boundary adjustments; or examining the creation of a Department of Natural Resources. The LEIS discusses each of these and others, and will soon be available for review at BLM and Forest Service offices.

Other suggestions for reducing costs such as sharing office locations, equipment and employees are measures that are not affected by the Interchange proposal. Such actions will continue to occur independently of the Interchange.

Two legislative items drew the most public comment. These were the wilderness and minerals parts of the June 1985 documents. Public concern focused on whether BLM Wilderness Study Areas (WSAs) transferred to the Forest Service would be subject to administrative release, and whether those areas already released would have to be re-studied for wilderness consideration. The proposed legislation resolves these and other wilderness considerations by maintaining the existing wilderness study status on the lands. Thus, those lands which are BLM study areas and subject to Congressional review before designation or release would remain in that status. Those lands which have already been reviewed and released would likewise, remain in that status.

The minerals portion of the June 1985 documents drew comments both for and against the proposed transfer. While there was minimal specific concern, views were expressed that the transfer of minerals authority to the Forest Service for its area of jurisdiction would result in fragmented minerals policies for public and forest lands, and in different appeal procedures for minerals questions. The revised Interchange proposal includes transfer of authority to the Secretary of Agriculture for minerals management within the Forest Service area of jurisdiction. The legislation is designed to promote joint appeals mechanisms for minerals questions and to maintain a coordinated minerals policy for the Federal government for both agencies.

## LEGISLATIVE PROPOSAL

### Purpose

This section highlights the key elements that are being included in the proposed legislation to transfer lands between the FS and the BLM and to transfer minerals management authorities to the FS for those areas within its jurisdiction. The elements are listed by the Title number where they are found in the proposed legislation.

Legislation is necessary in order to transfer lands and mineral interests between the two departments and to implement other provisions of the Interchange proposal. No existing law allows transfer of minerals jurisdiction from the Secretary of the Interior to another Secretary. The proposed legislation is not intended to resolve or remedy issues or problems not related to the Interchange. Thus, the scope of the legislation is generally limited to that needed to accomplish the transfer of jurisdiction and provide continuity in the future management of the Federal lands involved. To the extent possible, the legislation seeks to maintain the status quo on the affected lands, minimizing changes in existing management and use of the lands.

### Key Elements of the Proposed Interchange Legislation

### TITLE I

Title I sets forth the purposes, defines terms, and provides for maps which depict the Federal lands and interests and areas of jurisidiction.

Purposes of the Legislation--The purposes are to accomplish (a) improved service to the public, (b) increase efficiency and cost effectiveness, and (c) consolidate the management of surface and subsurface resources in the agency which is responsible for the surface.

Definitions--"Newly established public lands" will mean those national forest lands which would transfer from Forest Service to BLM jurisdiction. "Newly established national forest lands" would mean public lands which transfer from BLM to Forest Service jurisdiction and become part of the National Forest System. "Date of transfer" would be the date on which the actual transfer would occur, specified as the beginning of the first pay period 180 days after the date of enactment of the legislation.

Maps--Following established practice, transfer of the lands would be made in accordance with maps which will be referenced in the legislation. The maps will be used throughout the legislative process. A nationwide map will display the overall realignment of lands. This general map will be supplemented by a series of State maps showing a more precise location of these areas.

## Title II

Title II sets forth provisions applicable to those public lands transferred to the Forest Service.

Newly Established National Forest Lands --In keeping with the intent of Interchange, the newly established national forest lands would be subject to the laws and regulations applicable to the National Forests. To aid in the management of these lands and to incorporate them into the National Forest System, the Department of Agriculture would be provided with authority to modify National Forest boundaries.

The intent of the wilderness provisions is to maintain the existing situation in the wilderness study process on the newly established national forest lands. Thus, those lands subject to Congressional review would remain in that status. Those studied and released would continue, likewise, in the same status.

The Forest Service would manage any transferred wilderness study areas designated under Section 603 of the Federal Land Policy and Management Act of 1976 (FLPMA) to protect wilderness characteristics until Congress acts to either designate the areas as wilderness or to release them.

Any areas which have been released from further wilderness review by Congress would be managed under Forest Service multiple use management practices, but may be reviewed again for wilderness values as part of the normal Forest Service planning cycle when forest plans are revised.

Other lands for which wilderness consideration has been completed (including those studied under Section 202 of FLPMA) and which were not recommended for wilderness, would be deemed to have been adequately studied and may be managed for other multiple uses. When forest plans are revised for these lands, wilderness options may again be reviewed.

Newly established national forest lands would continue to be managed under the land use plan in effect on the date of enactment of the legislation. As plans are revised, they would reflect their new National Forest System status and would be subject to the provisions of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976. The transfer of lands would not require the revision of any land use plans.

Sales authority would be given to the Secretary of Agriculture for newly established national forest lands. However, sales of these lands would be limited to only those lands identified as suitable for sale under BLM land use plans completed prior to the transfer of jurisdiction. After transfer is accomplished, the Forest Service may identify some specific tracts suitable for sale on the newly established national forest lands as they complete land use planning. These may be sold under the procedures of Sec. 203 of FLPMA. In addition, the newly established national forest lands would remain subject to desert land entries, the Carey Act, State indemnity selections, the Recreation and Public Purposes Act, and Color-of-Title.

The Secretary of Agriculture would be granted authority to make, modify, extend or revoke withdrawals on National Forest System lands.

## TITLE III

Title III sets forth provisions applicable to the lands to be transferred to the Bureau of Land Management.

Newly Established Public Lands--In keeping with the intent of the Interchange, newly established public lands would be subject to the laws and regulations relative to the public lands except that they would be withdrawn from sale or disposal unless they were subject to such action before the date of transfer.

All contiguous areas of newly established public lands of 10,000 acres or more which had a special name identification before transfer would be designated as Conservation Areas. These areas would remain unavailable for disposal. The Secretary of the Interior would be authorized to assign an appropriate definitive name to each Conservation Area, and would manage them to preserve and enhance their multiple use values.

The intent of the wilderness provisions is to maintain the existing situation in the wilderness study process on newly established public lands. Thus, those lands subject to Congressional review and release would remain in that status.

The BLM would adopt all recommendations for wilderness or for additional wilderness study from the Forest Service on newly established public lands. Areas where an existing study for wilderness characteristics is underway, but where the Forest Service has not made wilderness recommendation, would be studied under Sec. 3(d) of the Wilderness Act by the BLM. Lands in this status would be managed to protect their wilderness values and characteristics. Areas found suitable would be protected for wilderness characteristics until Congress acts on the recommendation. Areas not recommended for wilderness would be released for other multiple use management by the BLM.

Those newly established public lands that were studied by the Forest Service for wilderness but not recommended as such and subsequently released, would be deemed to have been adequately studied. Additional review for wilderness characteristics may occur when the BLM revises land use plans for these areas.

Newly established public lands would be managed under plans in effect upon enactment of the legislation. As plan revisions become necessary, they would be accomplished in accordance with the provisions of FLPMA. The transfer of lands would not require the revision of any land use plans.

In order to provide consistency with the Forest Service certain special accounts applicable to National Forest System lands, such as reforestation or slash disposal, would be extended to the public lands.

Those lands managed by the FS under the provisions of Title III of the Bankhead-Jones Farm Tenant Act of 1937 (National Grasslands and Land Utilization Projects) that would be transferred to the BLM would continue to be managed under those statutory requirements and administrative procedures in order to preserve their special statutory status.

The Small Tracts Act of 1983 now applicable to National Forest System lands would be amended to give the Secretary of the Interior the same limited authority to sell or exchange certain small parcels by quitclaim deed as it gives to the Secretary of Agriculture.

The existing prohibition on surface coal mining on newly established public lands that were a part of the Custer National Forest, Montana, would be continued.

## TITLE IV

Title IV sets forth provisions involving the transfer of jurisdiction of the lands which will be common to both Departments.

Components of the National Wilderness Preservation System, National Wild and Scenic Rivers System and the National Trails System would continue to be administered under applicable laws but by the Secretary to whom jurisdiction has been transferred by the Interchange legislation.

Documentation of the transfer of lands by this legislation would be accomplished by noting official land status records. A notice would be published in the Federal Register when the noting of records is completed. The responsibility for keeping the public records would remain with the BLM as is currently the case. The Forest Service would continue to notify the BLM of land status changes, and both Secretaries would be authorized to correct errors in the recordation of land transfers and would be required to publish a notice in the Federal Register documenting such corrections.

Transfer authority for parcels of contiguous land no larger than 2,500 acres would be given to the Secretaries of Agriculture and Interior.

The Interchange would have minimal impact on receipts derived by States and local governments from the BLM and the FS. The legislation is designed to meet that intent. It would change the distribution of receipts to States and counties from grazing and public domain timber sales from the present rates to 25 per cent. The Taylor Grazing Act would be amended to raise from 12 1/2 per cent to 25 per cent the amount of receipts shared with the States under that Act and which are derived from grazing permits within a grazing district. It would also be amended to change from 50 per cent to 25 per cent the amount of receipts from grazing leases outside of a grazing district. Timber receipts from public domain lands would be increased to 25 per cent from the current 4 per cent. There would not be any changes in minerals or Oregon and California Grant Lands receipt formulas. Likewise, the legislation does not affect Payments in Lieu of Taxes disbursements made to local jursidictions.

Valid existing rights previously granted to any person would be protected by the Interchange legislation. Holders of land use authorizations would not need to take any new action as a result of Interchange. Existing authorizations would continue through their existing terms. The change in jurisdiction of the Federal land to which an established authorization applies would not be the basis for denying renewal or reissuance of any authorization granting such right. Reissuance of existing permits and other authorizations would be in accordance with applicable laws and regulations of the agency having jurisdiction.

The intent of the Interchange legislation is to have no effect on any existing water rights of the United States, or of any other person. Nor would the designation of newly established national forest lands create any additional rights in the United States. The right of the United States or of any person to acquire or dispose of water rights under applicable law would not be affected.

The legislation would not affect the status of existing withdrawals or ongoing withdrawal revocation actions.

Administrative appeals, adjudications or administrative review of decisions pending on the date of enactment of the legislation would be completed by the agency where the action is pending but the Secretary having jurisdiction over the lands would have the authority to exercise final administrative review. The Secretaries would be required to establish joint procedures for administrative adjudications or reviews to ensure uniform application of mining and mineral laws.

The Interchange would not affect any claim by or against the United States, and the legislation would not create any claim or right which did not exist prior to enactment.

## TITLE V

Title V would provide authority to the Secretary of Agriculture to manage the subsurface estate of lands within his jurisdiction.

The Multiple Use Sustained Yield Act of 1960 and the Forest and Rangeland Renewable Resources Planning Act of 1974 would both be amended to reflect the new minerals management responsibility of the Forest Service.

The mining and mineral leasing acts would be amended to give the Secretary of Agriculture, with respect to National Forest System lands and Federal minerals within his area of jurisdiction, the same authorities the Secretary of the Interior has for the public lands. There would be no change in the provisions of the 1872 Mining Law.

## TITLE VI

Title VI would transfer certain lands in Oregon between agencies.

The proposed Interchange boundary reflects transfer of all present BLM responsibility in Washington and northeast Oregon to the FS, except for mineral trust responsibility on Indian tribal lands. In western Oregon, nearly all of the Oregon and California (O&C) lands and all of the Coos Bay Wagon Road grant lands remain with the BLM under the current management authorities. A small portion of scattered O&C lands (24,000 acres) would transfer to the FS. Similarly, approximately 27,000 acres of National Forest land would transfer to the BLM in western Oregon and assume O&C status under this proposal.

## TITLE VII

This Title provides that if any provision of the legislation is held to be invalid, the remainder of the legislation would not be affected.

We cannot assess the actual FY 1987 impact of the interchange proposal on counties in the absence of actual FY 1986 receipts data which can and do vary considerably from year to year. FY 1987 payments to counties will be comprised of two components, both of which are unknown at this time. The first component is based on certain FY 1986 receipts which are either paid directly to counties or are passed on to counties by States. The second component for most counties is the Payments in Lieu of Taxes (PILT) program which includes in the computations the actual FY 1986 payments which are derived from FY 1985 receipts.

During April 1986 we plan to have available a report that will compare actual FY 1985 payments data by county with an estimate of the payments they would have received under the interchange proposal. We will furnish a copy of this report to members of Congress as soon as it becomes available. Further, the two agencies are currently working with the Oregon counties to develop a procedure to eliminate payment inequities which may be caused by the interchange. Several Oregon counties appear to be more heavily impacted than others, and we are working with them to resolve this type of situation.

## O&C Timber Sales

Question: Regarding the BLM timber sales program in Oregon and Washington, please provide a statement illustrating the proposed harvest level for FY 1987 in comparison to FY 1986; the number of reoffered sales for turned-back volumes under "contract relief" that will be included in the FY 1987 sales program; the approximate volume of timber currently under contract but not yet harvested as of January 1, 1986.

Answer: The proposed harvest level for FY 1987 in comparison to FY 1986 is estimated to increase by 100 million board feet, or an 8.3 percent increase.

The number of reoffered buy-out timber sales scheduled for FY 1987 is 96.

The volume under contract but not yet harvested is 2.2 billion board feet.

## Sequestration of Permanent Appropriations

Question: It has come to our attention that the February sequestration order included nearly $3.4 million in savings that technically cannot be collected because funds from those permanent appropriations accounts, principally payments to counties, were made prior to implementation of the Act and in some cases were actually made last fiscal year. Is the BLM intending to appeal this sequestration of obligated balances? Or has OMB agreed to allocate those funds based on the fact the funds were disbursed prior to the Act? If not, how will the BLM avoid possible deficiencies for future payments?

Answer: The Bureau has concerns similar to those raised in this question. BLM has prepared a written analysis of the situation which is currently being reviewed by the Solicitor's Office and Departmental Budget Office personnel in consultation with Secretarial officials and OMB. To date, no decisions have been made as to the best means of dealing with this issue.

## QUESTIONS SUBMITTED BY SENATOR MARK ANDREWS

### Range Improvements

Question: You are proposing an amendment which would delete the "but not less than $10,000,000" provision established in the Public Rangelands Improvement Act; and for FY '87 your request for range improvements is down $1.5 million from FY '86. Will your range improvement efforts be inhibited by this cut, or have you found a way to give the taxpayer $10 million worth of improvements for $8.5 million? How do you reconcile this cut with the allegations by those who contend that not enough is being done to improve rangelands?

Answer: At a time when every effort is being made to control the Federal deficit, some difficult choices must be made; and not every program can continue to be funded to the degree that we might desire. The funds provided for range improvements primarily benefit the rangeland users and should be directly tied to the grazing fee paid by those users.

### Grazing Fee

Question: The President recently signed an executive order freezing the current grazing fee formula. Does this order include National Grasslands?

Answer: The Executive order does not include National Grasslands which are administered by the Department of Agriculture.

Question: How will the proposed BLM/Forest Service land interchange affect grazing fees ... will the interchange mean that Forest Service National Grasslands will remain at $1.96/AUM under the management of BLM?

Answer: Yes. The interchange will provide for management of the lands under existing authorities, rules, and procedures.

Question: With National Grasslands at $1.96/AUM and rangelands at $1.35/AUM, is any consideration being given to eliminating this dual fee system, particularly in light of the interchange?

Answer: No consideration is being given to eliminating the dual fee system at this time.

### BLM/FS Interchange

In the BLM/FS Interchange Summary for North Dakota you point out that there will be an increase of 29 permanent positions because of a shift in management work from the Custer Forest Supervisor's Office and the BLM office in Billings to North Dakota. You also project 5-year costs and savings due to the proposed interchange, with personnel costs at $453,000 and personnel savings at $112,000.

Question: Would you explain how you will have a $112,000 personnel savings in spite of the increase of 29 permanent positions?

Answer: The projected 29-position increase in North Dakota would result from the closing of the Custer National Forest Supervisor's Office in Billings, Montana and transfer of BLM positions in Billings, Montana to North Dakota.

The positions involved are primarily resource management specialists with various responsibilities for managing lands in North Dakota. A few are administrative personnel. The new positions in North Dakota are proposed to be placed primarily at the BLM district level in Dickinson (21) and at a resource area headquarters in Watford City (8).

The personnel savings shown are the result of combining the organizations in Forest Service Region 1 and the BLM Montana State Office which have jurisdiction over Montana and North Dakota. The $112,000 personnel savings is the portion of the savings from FS Region 1 and the BLM Montana State Office that can be attributed to North Dakota. For example, both the Dickinson District Office in North Dakota and the Custer National Forest Supervisor's Office in Billings have purchasing agents. After the interchange, only one will be needed. The resulting savings of a position could be in Montana, but it is directly attributable to the interchange proposal in North Dakota. This and similar savings have been included as North Dakota's proration of the interchange savings.

Also, although some incumbents of the 29 positions will be moved to North Dakota which results in incurring costs, some savings will also be realized because the same work attributable to these positions will be completed much more efficiently. These efficiencies will be realized because of the proximity of the people to the lands for which they will provide management in North Dakota, thereby reducing some travel and related expenditures. These savings are also included in the savings prorated to North Dakota.

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## QUESTIONS SUBMITTED BY SENATOR DENNIS DECONCINI

### Wild Horses and Burros

I note your budget request for wild horse and burro management for FY 87 totals $15.2 million. Your budget justification indicates that you plan to increase your emphasis on adoption of animals and reduce the number of animals removed from the range because costs for the feeding and caring of the animals has risen.

Question: While I hope your efforts prove successful, I wonder if you could tell the Committee how you plan to increase adoptions by 4,000 over the amount you estimate to adopt in FY 86?

Answer: To increase adoptions to 13,500 (an increase of 4,150 over planned 1986 levels), three program areas would receive additional attention:

o Our public information efforts would be expanded through increased use of television public service announcements and the participation of horse interest groups in order to stimulate adoption demand and focus public information efforts on target areas with untapped sources of potential adopters;

o We would make increased use of short-duration satellite adoption centers to bring animals directly to those areas where an active adoption demand has been indicated; and

o We would make additional use of large-scale adoptions through the existing authority for waiving or reducing the adoption fee.

Question: Will the expansion of fee waivers in reality increase the numbers of animals adopted? Could this practice result in a situation where animals are adopted for questionable purposes?

Answer: Because use of waived and reduced adoption fees is limited to those animals that are otherwise unadoptable, the total number of adoptions will increase with use of this authority. Our experience to date has been encouraging with over 2,900 animals placed under this authority in FY 1985. To ensure that the animals are humanely treated, we require a pre-adoption inspection of the applicants' facilities and at least two on-site inspections of the animals before title can be granted. As with all adoptions, monitoring the treatment of the animals after the adopter gains title is not BLM's responsibility, although State and local humane laws continue to apply.

## Cultural Resource Protection

Your budget proposes to reduce the cultural resources management program from the base of approximately $6 million to $5 million in FY 87. Your justification indicates that cultural resource management plans will be delayed.

Question: Could you explain what impact the delays will have on the progress being made to protect these important resources?

Answer: The preparation and implementation of cultural resource management plans is aimed toward the long-term protection of resources. Delay in preparing or implementing a plan does not mean that protection would be foregone. Resources being protected at the present time, without a formal management plan, would continue to be protected. The implementation of developed plans would only be deferred in cases where delay, compensated for by continued interim protection, would not threaten the resources. Priorities would be adjusted according to the degree of threat to the resource.

Question: What level of funding would allow you to continue your efforts uninterrupted?

Answer: In these times when national priority is centered on fiscal restraint and mandated deficit reduction, many hard budgetary choices must be made. Some worthwhile work in many programs must be deferred and a budget presented which contains a responsible balance among program needs and funding levels. Our proposed FY 1987 budget level should not cause any interruption in our ongoing cultural resource protection efforts. We would be continuing existing efforts at levels which should be adequate to maintain the resources in their present condition. Funds available within the budgeted levels beyond those needed for protection efforts would be used to plan or carry out more long-term measures.

## Wilderness

Question: Do you have sufficient funds in your FY 87 budget request to manage those wilderness areas which have been designated by the Congress?

Answer: The proposed FY 1987 budget would allocate $750,000 to manage 368,000 acres of public land in BLM's 23 designated wilderness areas including preparing management plans, providing visitor services, conducting day-to-day management on the ground, and completing high priority resource protection projects.

Question: Could you provide the Committee with an updated status report on the BLM's wilderness review program?

Answer: To date, the Bureau has completed 68 draft environmental impact statements analyzing recommendations for 23.3 million acres of public land in 704 wilderness study areas (WSA's). The Director's final recommendations for more than 860 WSA's containing 24.8 million acres of public land are due by 1991. It is anticipated that most State Directors will submit their recommendations for the WSA's in their areas to the Director by the end of 1990. While studies are in progress, BLM is committed to providing interim management to all WSA's to ensure that wilderness values are not impaired before the Congress makes a decision on the disposition of each WSA.

## San Pedro River

Dean Bibles, the Arizona State BLM Director, has done a superb job in acquiring a piece of unique property known as the San Pedro River area. There has been some controversy over who should manage the land, the BLM or the Fish and Wildlife Service.

Question: Are any funds necessary in FY 87 for an interim management plan on the San Pedro? Have funds been budgeted? How much is necessary to assure proper management of this area?

Answer: The planning process will be completed in two phases. The first phase will be development of management objectives and interim management guidelines for the area by April 1, 1986, the date the lands are expected to be transferred to BLM. The second phase will be development of the long-term multiple-use resource management plan (land use plan) for the area. This will begin in April 1986 and will require approximately two years to complete. Work will continue in FY 1987 to complete any required inventories and to develop the multiple-use resource management plan/draft environmental impact statement (EIS) for the area. The final EIS/Plan would be completed in FY 1988.

No additional funds would be required for development of the interim management plan in Fiscal Year 1987 since interim management planning is being done in FY 1986. Funding for the interim planning is coming from a variety of program activities within the funds available to the Arizona BLM State Office.

The estimated cost in FY 1987 to continue planning through the draft EIS/Plan stage is $336,000. The estimated cost required to complete the final EIS/Plan in FY 1988 is approximately $45,000.

Only after the management plan is completed will we have any idea of how much funding might be required to ensure proper management of the area. Multiple-use management of the area will be dependent on decisions made as a result of the planning process.

### San Simon Barrier Dam

Question: Could you provide the Committee with an updated report on the status of the San Simon Barrier Dam in Graham County, Arizona?

Answer: The Barrier Dam was completed about 6 years ago with devices established to monitor the progress toward objectives of this structure and the San Simon project. Data gathered to date indicate that this, the lowest structure constructed on the drainage, may be showing a downward trend in sediment yields into the Gila River as well as reduced peak flows following high summer rainstorms. Further monitoring should confirm the apparent positive trend data.

Question: How much is necessary to complete the original project?

Answer: An engineering estimate of the cost of constructing the final mainstream structure called the Timber Draw Dam was made about 2 years ago. The estimate for construction was between $1.75 million and $2 million.

Question: Does the BLM plan to request funds to complete this project in the future?

Answer: An up-to-date economic analysis and updated engineering cost estimate must be prepared and evaluated before such a decision is made.

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## QUESTIONS SUBMITTED BY SENATOR DALE BUMPERS

### Oil and Gas Program

On page 27 of the BLM budget justification document, $46.5 million is requested for the FY 1987 Oil and Gas program under Energy and Minerals Management. This is a $2.17 million increase over the 1987 base, but a decrease of 22 FTEs. The justification states that the effect of these actions will be to curtail efforts in certain Bureau-initiated workload areas, such as KGS determinations. The major objectives of the oil and gas program are outlined on page 29. The second objective listed is to conduct an expanded competitive leasing program as a result of an accelerated KGS determination program.

Question: Is the request for funding of the oil and gas program based on these objectives?

Answer: The FY 1987 funding request for the oil and gas program is based upon the objectives stated on pages 29 and 30 of BLM's Budget Justifications. It should be noted that the narrative justification to which you refer does not address the request for increased funding in FY 1987. It explains the impact of the cancellation of budget authority required by the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) on the Bureau's fluid energy minerals budget subactivity in FY 1986.

Question: How does the Bureau of Land Management propose to conduct an expanded competitive leasing program if funding for activities such as KGS determination is reduced?

Answer: BLM had planned to expand the competitive oil and gas leasing program from a level of 1,500 tracts offered in FY 1985 to 1,700 in FY 1986 and 2,000 in 1987. The FY 1986 Interior Department Appropriations Act contained sufficient funding to cover the cost of KGS determinations which would support this effort. However, because of the funding reduction associated with sequestration under the Deficit Control Act, planned increases in tracts to be offered for competitive leasing may not now be possible.

Question: How many noncompetitive leases do you anticipate issuing in 1987?

Answer: In FY 1987 the Bureau expects to process 8,660 over-the-counter lease applications and to post 16,600 parcels for simultaneous oil and gas leasing which, together, are expected to yield a total of approximately 11,600 new noncompetitive oil and gas leases issued.

Question: Page 30 of the budget justification states that certain aspects of the leasing portion of the oil and gas program are presently under review by the Secretary of Interior. What changes in the leasing program are being considered by the Secretary and the Director of BLM?

Answer: At this time, the Department does not plan to propose legislation to make changes in the onshore oil and gas leasing program, preferring instead to review and comment on legislation which is expected to be introduced in both the House and Senate in the near future. The Secretary has indicated his support for a system which offers lands for competitive leasing before noncompetitive leasing could be conducted; however, the Department continues to support noncompetitive leasing as a means of allowing industry the opportunity to acquire leases and conduct wildcat exploration on lands for which limited exploratory interest has been demonstrated.

## SUBCOMMITTEE RECESS

Senator McClure. Thank you very much, Director Burford.

Mr. Burford. Thank you.

Senator McClure. We appreciate again your willingness to submit yourself for the questioning and to work with us as always.

This will conclude today's hearings.

The subcommittee will stand in recess until tomorrow, Tuesday, February 25, at which time we will hear the budget request for the strategic petroleum reserves, the naval petroleum reserve, and the Office of Emergency Preparedness.

[Whereupon, at 4:05 p.m., Monday, February 24, the subcommittee was recessed, to reconvene at 2 p.m., Tuesday, February 25.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1987

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TUESDAY, FEBRUARY 25, 1986

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, DC.*

The subcommittee met at 2:20 p.m., in room SD-138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure and Johnston.

## DEPARTMENT OF ENERGY

### NAVAL PETROLEUM AND OIL SHALE RESERVES

### STRATEGIC PETROLEUM RESERVE

**STATEMENT OF DONALD L. BAUER, ACTING ASSISTANT SECRETARY FOR FOSSIL ENERGY**

**ACCOMPANIED BY:**

**RICHARD D. FURIGA, DEPUTY ASSISTANT SECRETARY FOR PETROLEUM RESERVES**

**CAPT. MYRON SMITH, CEC, NSN, DIRECTOR FOR NAVAL PETROLEUM AND OIL SHALE RESERVES**

### BUDGET REQUEST

Senator MCCLURE. Good afternoon.

Mr. BAUER. Good afternoon, Mr. Chairman.

Senator MCCLURE. This is the time scheduled to review the fiscal year 1987 budget request for the strategic petroleum reserve, emergency preparedness and for the naval petroleum oil shale reserves.

We will begin with the naval petroleum reserve whose fiscal year 1987 request is $163,850,000, a reduction of $5,281,000 from the fiscal year 1986 level. This does not include the $584,000 sequestration figure according to the provisions of Gramm-Rudman.

Testifying on behalf of the Department this afternoon in his new capacity as Acting Assistant Secretary for Fossil Energy will be Mr. Donald L. Bauer.

PREPARED STATEMENT

As is our custom, your full statement will be made a part of the record at this point, and if you will introduce those who will testify with you, we will then proceed directly to questions.

[The statement follows:]

## Statement of Donald L. Bauer

Mr. Chairman and members of the Subcommittee, it is my pleasure to appear before you today in support of the President's policy and budget proposals for the Petroleum Reserves, which include the Strategic Petroleum Reserve and the Naval Petroleum and Oil Shale Reserves. I am accompanied by Richard D. Furiga, Deputy Assistant Secretary for the Petroleum Reserves.

### PETROLEUM RESERVES

In October 1985, management of the Strategic Petroleum Reserve and the Naval Petroleum and Oil Shale Reserves programs was combined under a new Office of the Deputy Assistant Secretary for Petroleum Reserves within the Department's Office of Fossil Energy. We believe that this management structure will result in the more efficient use of the strengths of each program in the areas of policy direction, financial management, and planning.

### Overview

Two major Administration policy proposals form the context for the Department's fiscal year 1987 budget request for the Petroleum Reserves programs: (1) a moratorium on further development and fill of the Strategic Petroleum Reserve, and (2) the offering for sale of Federal ownership interests in the Naval Petroleum Reserves No. 1 and 3.

The Administration is proposing to suspend Strategic Petroleum Reserve fill at the end of fiscal year 1986 when, as required by current law, the Reserve inventory will have reached 500 million barrels. Legislative language is proposed to remove provisions linking the sale of Naval Petroleum Reserve No. 1 crude oil to Strategic Petroleum Reserve fill rates. The Department believes that this policy is warranted by the combination of favorable oil market conditions and Federal budget constraints.

As a result of this policy, the Administration also believes that further development of Strategic Petroleum Reserve storage capacity is not warranted at this time. Accordingly, the fiscal year 1987 budget reflects the termination of solution-mining activities at the Bryan Mound and West Hackberry sites during fiscal year 1986 and the curtailment of procurement activities for new construction at the Big Hill and Bayou Choctaw sites. At the present time, underground oil storage capacity is approximately 509 million barrels and we will add approximately 10 million barrels during fiscal year 1987 through completion of the Phase II exchange cavern at the Bayou Choctaw site. We believe it would be inadvisable to add further storage capacity when we cannot foresee circumstances in the near-term which would dictate a need for fill of that capacity. This is particularly true with respect to the Big Hill site, since capacity development could be resumed more promptly and economically at other sites should the need for further oil acquisition materialize.

Under this policy, we will continue to maintain the Strategic Petroleum Reserve system in a readiness condition. We will continue to enhance the distribution capabilities at the Seaway and Capline complexes to ensure that the Reserve is capable of performing its mission as required.

The existence of a 500-million-barrel Strategic Petroleum Reserve, coupled with legislation enacted in 1984 to streamline the Department of Defense's petroleum procurement process, has obviated several of the original motivating factors which led to the establishment of the Naval Petroleum Reserves nearly 74 years ago. In particular, the Strategic Petroleum Reserve will be capable of pumping oil at 3 million barrels per day -- 30 times faster than the combined rate of the three Naval Petroleum Reserves. It thus represents a superior source of oil for emergencies.

Therefore, the Administration is now proposing to sell the government's ownership interests in the Naval Petroleum Reserves No. 1 and 3. The schedule and specific approaches for such transactions have not yet been determined and would depend in large measure on the enactment of legislation authorizing such sales. This proposal is part of a broader concept for converting Federal assets into private ownership and, in the process, reducing near-term requirements for additional Federal borrowing. The Department's proposed fiscal year 1987 budget provides for continued production of the petroleum reserves at maximum efficient rates (MER) in keeping with current law. Should a sale of one or more of these reserves be authorized and implemented during the coming fiscal year, we would submit appropriate amendments to the budget request. I will first address the Strategic Petroleum Reserve budget.

## Fiscal Year 1987 Budget - Strategic Petroleum Reserve

The proposed fiscal year 1987 budget for the Strategic Petroleum Reserve would implement a moratorium on the development and fill of the Reserve beginning in 1986. This reserve level, coupled with a more diversified, competitive world oil market, provides substantial protection against potential oil import reductions in the foreseeable future--a level of protection that would replace about 120 days of 1985 U.S. net petroleum imports and more than three years of U.S. imports from Arab OPEC countries.

Consistent with those proposals, we also are proposing to defer in fiscal year 1986 approximately $198 million of Strategic Petroleum Reserve Account appropriations. Additionally, we propose to defer those funds available in the SPR Petroleum Account that will not be needed to complete the required oil fill for fiscal year 1986. The proposed deferral amounts to $577.5 million, consisting of $549.6 million of funds appropriated for the Account in fiscal year 1985 and $27.9 million deposited in the account this year as a result of the test sale.

In fiscal year 1987, we plan to obligate approximately $150 million of the Strategic Petroleum Reserve Account on-budget funds proposed for deferral in fiscal year 1986. These obligations include the estimated requirements for operating and maintaining the Reserve in a standby readiness condition; for continuing the ongoing capital improvements program; for completing the currently proposed program for distribution enhancements; and for the Federal management of the Reserve.

## Storage Facilities Development and Operations

The fiscal year 1987 planned obligations for Storage Facilities Development and Operations total $136,521,000, derived from prior year appropriations. This is a decrease of $64,607,000 from the fiscal year 1986 obligations plan, due to the proposed moratorium on facilities development in fiscal year 1986 and to the planned completion of a substantial portion of the distribution enhancements.

No further funding is proposed in the Phase I, Phase II, or Phase III budget categories. Phase I is complete and, in the Conference Report on the fiscal year 1986 Continuing Resolution, Congress agreed to the use of $916,000 of Phase I funds, $9,965,000 of Phase II funds and $70,094,000 of Phase III funds for other activities.

No funds remain in Phase I and we estimate that by the end of fiscal year 1986 remaining Phase II funds will have been used, primarily in connection with preparing exchange Cavern 17 at Bayou Choctaw for oil storage. However, as a result of the proposed moratorium, an estimated $156,691,000 of Phase III funds will not be obligated in fiscal year 1986. We propose that these funds be reprogrammed to the Non-Phase Specific and Management budget categories in the amounts of $145,300,000 and $11,391,000, respectively.

At the end of December 1985, the total underground storage capacity of the Reserve was 509.4 million barrels located at five sites as follows:

| | |
|---|---|
| Bryan Mound | 198.6 |
| West Hackberry | 165.8 |
| Sulphur Mines | 26.0 |
| Bayou Choctaw | 46.0 |
| Weeks Island | 73.0 |
| Total | 509.4 |

Capacity at Bayou Choctaw will be increased by 10 million barrels upon completion in fiscal year 1987 of surface facilities for Phase II Cavern 17. This cavern was acquired from a private firm in exchange for a smaller solution-mined cavern which was developed in connection with the exchange agreement. Funding for these facilities and the remaining surface facilities at Bryan Mound and West Hackberry is included in the obligations plan for fiscal year 1986. Also included in that plan are the obligational requirements for placing the Big Hill site in a standby mode, ready for restart of the site development if appropriate.

Non-Phase Specific has been a funding category within the Storage Facilities Development and Operations budget since fiscal year 1981. Its purpose is to fund facilities-related requirements not directly associated with phase specific development activities. In view of the proposed moratorium, all of the requested facilities-related funding requirements in fiscal year 1987 fall into this category.

Planned obligations for Non-Phase Specific in fiscal year 1987 are $136,521,000, all of which would be funded from the proposed reprogramming of Phase III funds that will not be obligated in fiscal year 1986.

Within the Non-Phase Specific funding category, there are four subcategories of funding, each of which is different from the others in terms of the activity or group of activities addressed. These subcategories of funding are Operations, Operations Support, Capital Improvements and Distribution Enhancements.

(1) Operations includes operations and maintenance (O&M), security, utilities - primarily electric power, and ongoing environmental requirements for all sites. Estimated funding for Operations in fiscal year 1987 is $103,960,000, consisting primarily of requirements necessary for maintaining sites in a standby mode, ready for drawdown and/or restart of capacity development, if appropriate.

(2) Operations Support includes continuing engineering, technical, analytic and logistics support, contractor activity monitoring, contract administration services, security systems planning and other types of services in support of operations activities. Estimated fiscal year 1987 funding for Operations Support is $9,634,000.

(3) Capital Improvements address the need for modifications to existing facilities to assure that mission objectives can continue to be met. Projects in this category usually require engineering design and analyses. These projects are identified as a result of continuing assessments of systems reliability, capability, vulnerability, and operational performance.

Planned obligations for fiscal year 1987 are $18,512,000. The primary focus will be on continuing with the ongoing program to provide all existing sites with deluge sprinkler systems, consistent with the recommendations of the Industrial Risk Insurers. In addition, permanent facilities will be added at Bryan Mound, Bayou Choctaw, Weeks Island, and St. James to replace existing temporary office and warehouse structures which are overcrowded and do not meet the Department's criteria for fire protection. Remaining activities will include design and engineering work on warehouse facilities, roads, and security enhancements.

(4) Distribution Enhancements was introduced as a Non-Phase Specific funding subcategory in the budget through a reprogramming action in fiscal year 1985 to address changes in commercial distribution systems which have limited the capability to distribute oil from the Reserve during an emergency. The maximum initial distribution capability for the 500 million barrels of oil that will be in storage by the end of fiscal year 1986 will be only approximately 2.3 million barrels per day, compared to an initial drawdown capability of over 3.3 million barrels per day.

The Distribution Enhancements program proposed in the fiscal year 1987 budget includes enhancements in the Seaway and Capline Complexes. Previous plans for enhancements to the Sun terminal in the Texoma Complex were cancelled following further analyses which disclosed that the enhancements planned would not substantially increase the terminal's throughput capability. It also was found that refinery capacity changes in the Beaumont/Port Arthur, Texas area have resulted in a strong likelihood of local demand being insufficient to achieve the terminal's maximum throughput rates.

When the currently proposed program is completed, maximum initial distribution capability will be increased to 3.1 million barrels per day.

The estimated total funding required to complete the proposed program is $78,749,000, of which $21,682,000 was obligated in fiscal year 1985 and $52,652,000 is planned for obligation in fiscal year 1986. The balance of $4,415,000 is requested in the fiscal year 1987 budget.

## Management

This is a new budget category in FY 1987 and replaces Program Direction and Planning and Management Support. At the present stage of program development, activities previously described as Planning and Management Support activities are more appropriately described as part of overall Federal management of the Strategic Petroleum Reserve program.

Management funding provides for all salaries and expenses necessary to plan and manage the Reserve, including personnel at headquarters in Washington, those at the Oak Ridge Operations Office (ORO) and those at the Project Management Office (PMO) in New Orleans. In addition, the administrative overhead costs for the PMO in New Orleans are funded from this category. Management also funds several different kinds of information gathering, analysis work, and management and technical support used in making near-term and long-range management and policy decisions governing the accomplishment, goals, and objectives of the Strategic Petroleum Reserve program.

The fiscal year 1987 request level of obligations for Management is $13,423,000, a decrease of $2,077,000 from the combined fiscal year 1986 levels for Program Direction and Planning and Management Support.

The major funding change in fiscal year 1987 occurs in personnel compensation and reflects a reduction in Federal staffing as a result of the proposed moratorium. Fiscal year 1987 obligations are based on 120 full-time equivalents (FTE's) compared to an estimated 152 FTE's in fiscal year 1986.

## SPR Petroleum Account

Funds are appropriated to the SPR Petroleum Account for the purchase of crude oil, marine and pipeline transportation, customs fees, terminalling charges, environmental taxes and other necessary oil acquisition-related expenses. Pursuant to the provisions of the Energy Policy and Conservation Act (EPCA) as amended, funds in the Account may also be used to finance costs associated with a drawdown of the Reserve. Additionally, the Federal receipts from a drawdown and sale of Strategic Petroleum Reserve oil create additional budget authority for refilling the Reserve.

The Energy Policy and Conservation Amendments Act of 1985, which extended the authorities of the Strategic Petroleum Reserve to June 30, 1989, also established a requirement for a test sale or exchange of approximately 1.1 million barrels of crude oil. A sale was commenced on November 18, 1985, by issuance of a Notice of Sale to potential purchasers and was completed in January 1986. A total of 966,809 barrels was delivered under the five contracts awarded and the proceeds of the sale amounted to approximately $27,949,000. These proceeds were deposited in the SPR Petroleum Account.

In compliance with current law, fill of the Reserve will continue in fiscal year 1986 until a level of 500 million barrels is reached. Based on this fill plan, $577,534,000 of available SPR Petroleum Account funds will not be needed in fiscal year 1986. The funds are proposed for deferral.

The Administration intends to seek the elimination of the legislative requirements concerning further fill of the Reserve and linkage to Naval Petroleum Reserve production and sales.

I will now address the Naval Petroleum and Oil Shale Reserves.

## Fiscal Year 1987 Budget - Naval Petroleum and Oil Shale Reserves

The fiscal year 1987 budget request for the Naval Petroleum and Oil Shale Reserves (NPOSR) provides for a $163.6 million program. The requested new budget authority totals $127.1 million, to which is added $36.5 million available from prior year appropriations.

This request provides sufficient funds to continue producing the Naval Petroleum Reserve No. 1 (NPR-1), Elk Hills, located near Bakersfield, California, and the Naval Petroleum Reserve No. 3 (NPR-3), near Casper, Wyoming, at the maximum efficient rate through fiscal year 1987. Should privatization be completed prior to the end of fiscal year 1987, unexpended funds would be returned to the Treasury through a rescission. Revenues from the sales of NPR petroleum and reimbursements from Chevron U.S.A. Inc., the joint owner of NPR-1, are expected to total $1.1 billion in fiscal year 1987 (based on projected oil prices of just over $24 per barrel) should the Government retain ownership for the entire fiscal year.

The Administration's proposal to offer for sale the Government's ownership interest in NPR-1 and NPR-3 is part of the President's overall fiscal year 1987 proposal to dispose of Federal functions that closely resemble business activities, thereby relieving the taxpayer from further annual funding requirements and securing compensation for these assets based on their full market value.

NPR-1 covers property individually owned by the Government (78%) and Chevron (22%), with each owner sharing in production and costs according to its participating percentage. NPR-3 is fully federally owned and operated. The Department is currently developing economic analyses to determine conditions under which sale of NPR-1 and NPR-3 would be most attractive to the U. S. Government.

At the end of fiscal year 1985, we estimate that the two Reserves contained over 700 million barrels of crude oil recoverable by primary and secondary development, although these figures may be adjusted due to changing economic patterns in the oil market. Of this amount, the Federal government owned an estimated 550 million barrels which may, based on recent surveys of oil field sales, be worth nearly $6 per barrel. In addition, the fields contain significant quantities of natural gas and natural gas liquids which add to the value of the assets. After accounting for continuing production, we estimate that the Federal government's share of the two Reserves might be worth approximately $3 to $5 billion. However, since the Department intends to pursue a competitive sales process, the final price is dependent upon the oil market, the competitive procurement process and proposer conditions and assumptions. Actual receipts to the Treasury will be subject to the sales approach employed and bids received.

The Administration opted not to include NPR-2 (Buena Vista Hills, located adjacent to NPR-1) in the proposed sale because the reserve is already privately produced under lease arrangements that have existed since the 1920s.

Production from both NPR-1 and NPR-3 in fiscal year 1985 averaged 131 thousand barrels of oil per day, 369 million cubic feet per day of natural gas and 683 thousand gallons per day of liquid products. During the first quarter of fiscal year 1986, the two Reserves produced approximately 129 thousand barrels of oil per day, 385 million cubic feet per day of natural gas, and 680 thousand gallons per day of liquid products.

Revenues to the Treasury from the sales of petroleum products during the first quarter of fiscal year 1986 were $297.1 million, including Windfall Profit Taxes, and are estimated to be $1.2 billion for the full fiscal year. Pursuant to Section 1611 of the Department of Defense Authorization Act of 1986, Public Law 99-145, there is one-year extension for fiscal year 1986 for transfer of 30 percent of net revenues from the Reserves to the National Defense Stockpile Transaction Fund.

Since August 1, 1985, Bechtel Petroleum Operations, Inc. (BPOI) has performed production and development operations at NPR-1 under a 5-year management and operating contract. Also at NPR-1, a deep test exploratory well was started during fiscal year 1985, and will continue to be drilled throughout fiscal year 1986 and tested in fiscal year 1987. The project, costing almost $26 million, will be California's deepest well, testing four potentially productive zones, if the BPOI subcontractor, Parker Drilling Company, is successful in our objective of drilling and testing to 25,000 feet.

At NPR-2 in California, significant progress was made in conveying the surface rights of ten parcels of land located on the Reserve to the owners of residences on those parcels. In accordance with Private Law 98-32, the Government set the fair market value of each of the lots, and notified the homeowners of the procedures to be followed in order to purchase the surface rights. As of now, all ten homeowners have made at least partial payment toward the purchase of their lots. Three have paid in full. The remaining payments are due within three years of the homeowners' application for conveyance. The government will retain all subsurface mineral interest, as well as the right to remove any mineral deposits.

At NPR-3, the success of the drilling and well maintenance programs has kept production from declining. The enhanced recovery program in fiscal year 1987 allows for continued operation and maintenance of the pilot projects, except for the oxygen-enriched in-situ combustion pilot project, which has not proved successful. The remaining pilots will be evaluated, and a decision regarding field implementation will be made by the end of fiscal year 1986. The prime contract for production and development operations at NPR-3 is performed by Lawrence-Allison and Associates West, Inc., the management and operating contractor under a 5-year contract which expires on September 30, 1986. A Request for Proposals (RFP) to manage and operate the Naval Petroleum and Oil Shale Reserves in Colorado, Utah, and Wyoming was issued in early fiscal year 1986. Following evaluation of the offers received in response to the RFP, a new contract, to begin October 1, 1986, will be awarded.

In activities related to the Naval Oil Shale Reserves (NOSRs), two of the 14 wells to prevent migration of natural gas from NOSR-3 to nearby commercial wells have been successfully drilled. This action was necessary because of the statutory requirement to protect the petroleum resources within the Naval Petroleum and Oil Shale Reserves. A gas sales contract is expected to be awarded in fiscal year 1986 with initial sale of natural gas produced from the offset wells are expected to total $7 million through fiscal year 1987.

In fiscal year 1984, the Department of the Interior (Bureau of Land Management) and the Department signed a Memorandum of Understanding reserving to the Deparment the right to contract for 4,100 acre-feet per year of water from Colorado's Ruedi Reservoir. In fiscal year 1986, the Department plans to purchase the water rights to the Ruedi Reservoir from the Bureau of Land Management. This will provide an emergency water resource in the event of oil shale development at NOSR-1.

Additionally, implementation of a plan to decommission the Anvil Points Oil Shale Research Facility, located on NOSR-3, progressed significantly in fiscal year 1985. Work on the demolition and reclamation of the land began on August 1, 1985. Demolition was essentially complete in January 1986, with habitat restoration on schedule for completion by August 1986. With regard to the spent shale at Anvil Points, the Department contracted with the Naval Energy and Environmental Support Activity (NEESA) to assess the environmental impacts for disposing accumulated oil shale at the Anvil Points Oil Research Facility. NEESA concluded that the environmental impacts of leaving the shale pile in place, with appropriate erosion controls and seepage monitoring, would not pose a significant threat to human health or environment. Based on the NEESA and other studies, the Department concluded that no further environmental mitigation is required beyond this minimal effort.

## Fiscal Year 1987 Budget

### NPR-1 and NPR-2

The fiscal year 1987 budget request for NPR-1 and NPR-2 is $130,340,000, continuing the same level of funding as in fiscal year 1986 and reflecting stablilization of operations and requirements. Funding is requested in the following categories:

Operations and Maintenance ($95,640,000) - This funding category provides for the day-to-day field activities necessary to continue production at Maximum Efficient Rates (MER). Major activities funded are:

(1) Business Management ($19,100,000) - Provides for administrative activities of the Unit Operator such as financial, accounting, legal, secretarial and related support services. It also includes the purchase of safety equipment, office supplies, automated engineering services, security, in-house automated data processing, employee services and safety and environmental licensing.

(2) Operations Management ($39,040,000) - Provides for the maintenance and repair of pipelines, tank setting, pumps and other equipment to collect, store and distribute oil and gas; maintenance of waterflood injection, fresh water and waste water disposal system; surface and downhole well work; Tulare Zone steam operations; vehicle maintenance and replacement; operation and maintenance of the three gas plants and associated facilities; and supervision of all drilling programs.

(3) Engineering Management ($19,100,000) - Provides for facility and petroleum engineers and technical contract services. This includes drafting, construction, cathodic protection, corrosion control, electricity, laboratory services, core storage, and reservoir engineering and geological studies.

(4) Remedials ($14,400,000) - Provides for the major well work required to maintain existing wells in optimum producible condition. The types of remedials planned include stimulation work to remove well-bore damage; recompletions; control of excessive gas/oil ratios; abandonments; tubing replacements; and installation of artificial lift. A total of 166 remedial workovers is planned for fiscal year 1987.

(5) Operator Fee ($4,000,000) - Provides for the base and award fee paid to the management and operating contractor.

Development Drilling ($22,900,000) - Provides for the drilling of all development wells at NPR-1. This includes water injection and enhanced oil recovery wells in addition to producing wells. Along with securing additional production, this program is designed to maintain reservoir and pool performance through pressure maintenance and to further define reservoir limits. The fiscal year 1987 request provides for the drilling of 35 wells, reflecting completion of the primary drilling program and continued reduced drilling requirements.

Development Facilities ($8,000,000) - Provides for the construction and/or modification of facilities needed to support continued development and production of the field. Included in this request are facilities required for environmental and safety compliance, implementation of enhanced recovery methods, and to adapt to changing field conditions such as declining reservoir pressures and increasing volumes of water and gas produced with crude oil.

Exploration Drilling ($3,800,000) - Provides for the drilling of exploratory wells at NPR-1 with the potential for increasing producible hydrocarbon reserves. Based on evaluation of geophysical data, the fiscal year 1987 request funds the drilling of one well to the Carneros Zone, a producing zone at NPR-1.

## NPR-3

The fiscal year 1987 budget request for NPR-3 is $22,614,000 and provides funding for Operations and Maintenance ($15,610,000); Development Drilling ($6,754,000); and Development Facilities ($250,000). This request is a decrease of $6,469,000 from fiscal year 1986, due principally to cost savings resulting from more efficient operations and a reduction in enhanced recovery pilot project activity.

This request provides funding for the normal oilfield operations and maintenance activities; continues development drilling to the deepest zones, with 22 wells planned for fiscal year 1987; initiates an in-fill drilling program in a section of the Shannon reservoir not amenable to enhanced recovery technology; and provides for engineering and design plans for field implementation of enhanced recovery processes in the Shannon reservoir.

Enhanced recovery pilot projects will be operated through fiscal year 1987. A decision regarding expanded implementation of one or more of the pilots will be made by the end of fiscal year 1986, if technically and economically feasible. This plan allows for verification of pilot results before the costs of expanded implementation are incurred.

## Naval Oil Shale Reserves (NOSRs)

The fiscal year 1987 budget request for the NOSRs is $5,241,000. This provides full funding for the drilling of six offset gas wells at NOSR-3 to complete the natural gas protection plan and related operations and maintenance costs. Also included in this request are funds to continue land management activities at all the NOSRs, and for mitigation of adverse environmental conditions arising from the spent shale pile at Anvil Points.

## Program Direction

Funding Program Direction provides for the salaries, benefits, travel and other related costs to support 95 full-time equivalent employees and eight military personnel required to plan, develop, manage and monitor the execution of NPOSR program activities. The budget request for this activity is $5,374,000.

## Funding from Prior Year Appropriations

Funds totaling $36.5 million for the NPOSR are available from prior year appropriations for use in fiscal year 1987 as offset financing. These funds are available due to several factors.

First, $19.5 million of funds were not used at NPR-1. This is due to a reduced drilling program and unit drilling costs ($1.8 million); reduced facility requirements related to the drilling program ($4.0 million); and a reduction in operations and maintenance costs ($13.7 million) because of improved, more efficient contractor operations, decreased maintenance requirements associated with the drilling program and decreased costs for oilfield related equipment and supplies.

Second, $9.0 million is available from NPR-3 funding because evaluation of enhanced recovery pilot results has been slower than anticipated, delaying field implementation.

Third, $1.0 million is available from Program Direction funding due to lower staffing of the NPOSRs than was originally planned.

Fourth, the completion of facility construction contracts by the Naval Facilities Engineering Command at NPR-1 resulted in cost avoidance of $7.0 million. This concludes my formal statement, Mr. Chairman. I will be pleased to answer any questions you may have.

## BIOGRAPHY OF DONALD L. BAUER

Donald L. Bauer is the Department of Energy's Acting Assistant Secretary for Fossil Energy, a position he assumed on June 3, 1985. His responsibilities include management of coal, oil, and unconventional gas research and development programs as well as the Naval Petroleum and Oil Shale Reserves and the Strategic Petroleum Reserve. In addition, he is responsible for overseeing the Federal Government's involvement in the Great Plains Coal Gasification Project.

From February 16, 1982, until his present assignment, Mr. Bauer served as Principal Deputy Assistant Secretary for Fossil Energy. Previously he was the Acting Director of the Office of Coal Processing where he was responsible for developing and implementing the Federal Research and Development Program for Coal Liquefaction and Gasification.

Mr. Bauer assumed the position of Acting Deputy Program Director for Project Management in June 1981. He was responsible for assisting the Program Director in the design, siting, construction and operation of major coal liquefaction and gasification projects.

Mr. Bauer also served as Chief of Programs Support (Division of Fossil Fuel Processing), responsible for division budget development and execution, management information systems development and maintenance and program/project decentralization. He joined the Fossil Energy staff in 1976 as the Assistant Director, Major Facility Project Management where he was responsible for providing management direction for procurement of major coal conversion facilities.

From 1960 to 1975, Mr. Bauer held a wide range of positions with the Department of the Army where he gained managerial experience in anti-ballistic missile systems. His positions included: Engineering Consultant responsible for the systems development activities associated with an Advanced ABM/BMD Systems (Site Defense); Chief of the Missile Division, Ballistic Missile Defense Systems Command, involving responsibility for the design, development and testing of the SPRINT II and improved SPRINT II Missile Sub-System for the Site Defense System; Project Manager with the Advanced Ballistic Missile Defense Agency; Project Manager with the U.S. Army Missile Command and Missile Test Engineer and Project Engineer in the Army Rocket and Guided Missile Agency.

Mr. Bauer began his government career in 1958 immediately after graduating from Grove City College in Pennsylvania with a B.S. in Chemical Engineering. He served two years in the U.S. Army as a Missile Test Engineer in the Army Rocket and Guided Missile Agency, a position which he resumed as a civilian immediately after his discharge.

In 1983, President Reagan named Mr. Bauer as Meritorious Executive in the Senior Executive Service. Secretary of Energy Don Hodel conferred the Departmental Meritorious Service Award on Mr. Bauer in 1985.

Mr. Bauer was born in Lucinda, Pennsylvania, and currently resides in Falls Church, Virginia. He is married and has two children.

## BIOGRAPHY OF RICHARD D. FURIGA

Richard D. Furiga is currently serving as Deputy Assistant Secretary for Petroleum Reserves, U.S. Department of Energy (DOE). As Deputy Assistant Secretary. he is responsible for management of the Strategic Petroleum Reserve and the Naval Petroleum and Oil Shale Reserves. The Strategic Petroleum Reserve is the largest crude oil storage program in the world with almost 500 million barrels held in reserve along the Texas and Louisiana gulf coastline.

The Naval Petroleum and Oil Shale Reserves consists of three petroleum and three oil shale reserves, including the Nation's fourth largest producing oil field, the Elk Hills field in California. Until assuming his present responsibilities, Mr. Furiga served as Deputy Assistant Secretary for the Strategic Petroleum Reserve.

Mr. Furiga was an officer in the U.S. Navy from 1957 to 1977. His assignments included management positions in the petroleum logistics field; such as Director, Navy Energy Office and Director, Technical Operations, Navy Petroleum Office.

Mr. Furiga was born June 20, 1935, in New Eagle, Pennsylvania. He graduated from the U.S. Naval Academy in 1957 with a Bachelor of Science Degree in Engineering. He received a Master of Science Degree in Petroleum Management from the University of Kansas in 1972.

Mr. Furiga is married to the former Janet Marie Pietroboni. He has three children by a previous marriage: Christiann, a 1985 graduate of the University of Virginia; R. Colin, a senior in Pre-Law at Muhlenberg College in Allentown, Pennsylvania; and Merewyn, a sophomore at Chestnut Hill College in Philadelphia.

### INTRODUCTION OF ASSOCIATES

Mr. BAUER. Thank you, Mr. Chairman.

I would like to introduce at this time Deputy Assistant Secretary for Petroleum Reserves, to my right, Richard Furiga. That office is responsible for the strategic petroleum reserve and the naval petroleum reserves.

In the first row behind me in the military uniforms, the second one in is Capt. Myron Smith, who is the Director of the Naval Petroleum and Oil Shale Reserves. He came to the Department in July of 1983. This Friday he will be retiring from military service after 30 years of outstanding service.

He will be replaced on that same day with Capt. William Rumbold who will be taking over those duties.

Senator MCCLURE. Thank you very much.

Senator Johnston, do you have any statement that you wish to make at this time?

Senator JOHNSTON. No, Mr. Chairman. I wish to speak about the strategic petroleum reserve at the appropriate time, and I look forward to hearing about what the administration proposes to do. I hope it is to obey the law and——[Laughter.]

Senator MCCLURE. So I look forward to hearing that.

With no opinion stated yet.

### SALE OF NAVAL PETROLEUM RESERVES NOS. 1 AND 3

Mr. Bauer, the fiscal year 1987 budget assumes that legislation will be submitted at a later date which will propose that Federal ownership of Naval Petroleum Reserves No. 1 and No. 3 be offered for sale outright under a competitive situation to the highest bidder.

Is the Department working on a specific timetable for submission of this legislation?

Mr. BAUER. Mr. Chairman, the Department is not working on any specific timetable at this time.

Senator MCCLURE. Does the fiscal year 1987 request prejudice the sale option?

Mr. BAUER. The fiscal 1987 budget request assumes business as usual and we will continue on with the program throughout fiscal 1987.

When legislation is transmitted to the Hill and enacted and a sale is then completed, the balance of the appropriated moneys would be offered back up to the Treasury.

Senator MCCLURE. Do you have any target figure in mind for a sale price?

Mr. BAUER. In going through it, what we did first of all was take a look at the estimated recoverable reserves. For example, at Naval Petroleum Reserve No. 1, I think the number is approximately 713 million barrels.

That reserve is shared with Chevron and our share is approximately 78 percent. So 78 percent of those reserves is somewhere over 500 million barrels.

Then one goes to take a look at the Oil & Gas Journal and what the marketplace pays today when they are buying reserves, and it was approximately $5.76 a barrel. So that was one way of arriving at an estimate of in excess of $3 billion.

But when one takes a look at not only the oil but the other products that are produced there and factors all of that in, including the liquids and the other products, our estimate ranged somewhere between $3 to $5 billion.

The exact price will depend upon the marketplace and how people bid. I would think that someone bidding on it would bid a price that would reflect their expectations of what that field would provide to them, not the market price for oil today.

Senator McClure. Now when you look at an estimate of reserves, there are some other variables as well, such as the amount of investment in support facilities; is that not correct?

Mr. Bauer. Yes; in all of those, yes.

Senator McClure. And there are supporting facilities at each of these reserves?

Mr. Bauer. At NPR-1 and NPR-3, yes, sir.

Senator McClure. Whatever the ultimate price might be, and I would assume that if you get around to that point you will want some protection or the opportunity to reject bids if they come in below what your estimate is, that you will include in the estimate the value of those supporting facilities?

Mr. Bauer. Yes, Mr. Chairman.

Senator McClure. Will you include in that estimate the current provisions of law requiring a 25-percent setaside for small refiners?

Mr. Bauer. What we are doing now, Mr. Chairman, in the Department, is reviewing all the aspects of the proposed sale. That involves discussions with Chevron, the facilities you are talking about, the small refiner preference, and the potential options for selling, the land rights, the surface rights, and there are some 20 areas that have to be reviewed by the technical people and general counsel, the real estate property people and all that.

When we do go out competitively, there is the Government independent cost estimate and it includes all the assumptions, conditions, and constraints, so that when a bid comes in, the Government is in a position to say, yes, that is a reasonable and acceptable bid and it includes all the appropriate provisions and assurances and, just like you were saying, the small refiner preference.

Senator McClure. Would you assume that the 25-percent set aside would be honored and protected in the bid or would it be something that the administration would ask to be set aside?

Mr. Bauer. I really don't know, Mr. Chairman, at this time.

Senator McClure. How about the use of the pipeline as a common carrier?

Mr. Bauer. I think that that is something else that we will have to review, and I commit to reviewing those matters.

Senator McClure. Have you reanalyzed revenue estimates based upon current prices of oil? I believe that your review estimates assumed a price of $24.02 per barrel.

Mr. Bauer. The last 5-year plan that I have, Mr. Chairman, that was used was the long-range profile for NPR–1, which had $24.75 as the oil price in fiscal 1986 and it was increased thereafter.

### MER OF PRODUCTION

Senator McClure. Congress has mandated that the NPR reserves be produced at MER.

Mr. Bauer. Yes, Mr. Chairman.

Senator McClure. Do you have a recommendation with respect to that provision that might reflect the change in current market conditions?

Mr. Bauer. No; I don't, Mr. Chairman.

Senator McClure. Is that something you are going to look at and will you have a recommendation to us, or is that something you are just going to allow us to either go along with or fix?

Mr. Bauer. No; I will look at it and get back to you, Mr. Chairman. The decision for continued production, which was last approved by the President, I believe, expires in April 1988.

Senator McClure. Assuming the Congress doesn't go along with a proposal to sell, or that if they did you were not able to sell it, should the President be given the authority to stop selling NPR oil in an effort to protect the value of the resource?

Mr. Bauer. Mr. Chairman, I think when we went through and made our continued production decision the last time, we looked at the entire field and concluded with the recommendation that considering the size of the field and the economics we should continue production of all fields at MER of production.

### USE OF THE NPR BY THE DEPARTMENT OF DEFENSE

Senator McClure. One of the original motivating factors behind the establishment of NPR was its use by the Department of Defense in a defense emergency. According to your justification, legislation was enacted in 1984 that simplifies DOD's petroleum procurement procedures.

Since these procedures have only been in effect for 1 year, and since there is not a defense emergency that required DOD use of NPR oil, aren't we jumping the gun a little bit in proposing to sell NPR when these procurement procedures haven't been tested?

Mr. Bauer. It is true that in 1984, DOD's legislation simplified the procurement regulations for DOD, but I think most of DOD's petroleum requirements today are satisfied by the open market. And in fact, of the oil that is produced out there now, DOD takes a total of 18,800 barrels from NPR–1 and NPR–3.

We have received indications from them now that at the end of the expiration of the current agreement, which is something like November of this year, they do not plan to take oil from us in the future, at which time we are going to propose to modify that agreement.

### DEVELOPMENT WELLS

Senator McClure. You are proposing to drill 35 development wells in fiscal year 1987; is that correct?

Mr. Bauer. Yes, sir.

Senator McClure. And the dollar amount on those is $22.9 million. It is up from 46 development wells at a cost of $17.9 million. The number of wells is down and the cost is up.

Can you tell us the reason why with 24 percent fewer wells the cost is up 22 percent?

Mr. Bauer. At the NPR–1, it is necessary that the wells that we drill are going to be deeper and more expensive wells in the deeper zones, and we are doing that to enhance our production there via primary methods, as well as water flood injection. So they are turning out to be deeper and more expensive.

### FUNDING FOR GAS WELLS AT NOSR NO. 3

Senator McClure. With respect to Naval Oil Shale Reserve No. 3, you have requested a full funding for the drilling of the last 6 of 14 offset gas wells. Why was full funding requested rather than just what would be required for the Government's share?

Mr. Bauer. I don't know the answer to that, Mr. Chairman.

Senator McClure. Captain Smith.

Captain Smith. Mr. Chairman, we do not know yet whether our communitized partners will be putting up the money.

Senator McClure. So you are requesting the full amount in the event you have to put up all of the expense?

Captain Smith. That is correct. And if our partners put up the money, then the money they put up would go back into the general Treasury fund.

Senator McClure. If you arranged to have partners on these six wells, how would the Government be compensated?

Captain Smith. If they did not participate, then they would not receive any royalties until the Government received 300 percent of the cost of the well, and then the percent after that would be based on a percent of royalties.

Senator McClure. Thank you.

Senator Johnston.

### SALE OF NPR–1 AND NPR–3

Senator Johnston. Mr. Chairman, I have no questions, other than to state that I can't imagine a worse time to be selling the naval petroleum reserves, Elk Hills at least, than the present.

I mean you can say well $15, or whatever the price of oil happens to be today, reflects accurate market conditions. Most of us, however, believe that that is a fairly temporary aberration, at least it is not going to last indefinitely, and the Government ought to be the one party that has sticking power.

But beyond that, you are not likely to get a full value in bids from the oil companies because they are almost all cash short. They have their own debt obligations, most of which were based upon a price of oil higher than $15 a barrel.

So when you force a bid like this, I think you are likely to get much less than it is worth. I cannot imagine a worse time to be doing this, and I hope the administration will change its mind.

Senator McClure. Thank you, Senator Johnston.

### Strategic Petroleum Reserve

We will now turn to the strategic petroleum reserve.

The Department is again proposing what is described as an indefinite moratorium, and as a result has requested no new budget authority. Instead, the Department has requested the use of $149,966,000 of prior year funds for the strategic petroleum reserve for fiscal year 1987.

In addition, the Department has proposed to defer $775,475,000 of available balances, $197,941,000 in construction funds and $577,534,000 in petroleum funds.

Congressional intent on SPR is very clear. The proposed deferrals of construction funds in fiscal years 1982, 1983, and 1985 have all been overturned. Last year, in addition to overturning the proposed construction deferral, Congress provided an additional $113 million in new budget authority in fiscal year 1986. The administration is now proposing to again defer these construction funds.

In the fiscal year 1986 budget request and the statements made by the administration, it was made fairly clear that the proposed moratorium was a pause and not a termination of the program.

This year's deferral and responses to questions submitted by the Senate Energy Committee lead me to believe that this is a termination.

Last year we got an agreement from administration sources that while they would pause in the oil purchase, they would go ahead with construction, and that was perceived by I think everyone, it certainly was by me, as a commitment to the long-term goal for a higher total number of barrels—a reaffirmation, or at least not a denial of the 750 million barrel ultimate objective. But I have to view the administration's position at this time as being a reversal of that commitment of last year.

Is 750 million barrels of capacity and fill the ultimate objective of the administration, or am I reading the signs correctly?

### SIZE OF THE STRATEGIC PETROLEUM RESERVE

Mr. Bauer. The fiscal 1987 budget request or proposal that we have presented to date still does not preclude the ultimate possibility of a 750-million-barrel system. What it says is that, in looking at the reserve levels now, plus the fact that there is a diversified competitive world oil market out there, and in looking at the amount of protection that we have, based upon United States net imports or on the basis of imports from Arab OPEC countries, coupled with the recognition of the deficit, there is a moratorium now, but it will be revisited. It is not rejecting what was known as, and still is known as, the 750-million-barrel system.

But I share with the chairman when it says that we are going to stop leaching and we are going to stop filling, that it could be seen as that it is the end of the system.

Senator McClure. Well, not only that, but——

Senator Johnston. Pardon me. I just didn't understand your last——

Mr. Bauer. That that gives the appearance that we are not going to go on and eventually, when the time necessitates, go to a 750-million-barrel system. We have committed to revisiting the moratorium periodically, and we are not saying that there will never be a 750-million-barrel system. There can be. The plans are still there. There are the drawings and the mechanisms to go when the time is determined right to go to that system.

Senator McClure. I hear it described by other administration officials in terms of justification by saying well, our original objective was 90 to 120 days of oil supply, and that our reduced levels of imports of 500 million barrels meets that test, which is the argument for termination of the program as having achieved its goal.

The signals we are getting from the administration are at best mixed and at the worst unmixed, and I have to confess myself to be a little concerned.

If Congress overturns this deferral and provides the funds necessary in fiscal year 1987, will those funds be deferred?

### DEFERRAL OF FUNDS

Mr. Bauer. I really don't know, Mr. Chairman.

Senator McClure. Well, all I can say is if the past is any forecast of the future, that is exactly what we would get.

I might just include in the record at this point a letter dated February 25, 1986 signed by the Comptroller General of the United States which states the conclusion that the current deferral is not authorized under the current law and is therefore in their opinion illegal. But that doesn't necessarily deter the administration either.

[The information follows:]

## LETTER FROM CHARLES A. BOWSHER, COMPTROLLER GENERAL OF THE UNITED STATES

B-220532

February 25, 1986

The Honorable James A. McClure
Chairman, Subcommittee on Interior
and Related Agencies
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

As you know, this Office is required to comment on deferrals proposed by the President under the Impoundment Control Act (the Act), including whether they are in accordance with existing statutory authority. 2 U.S.C. § 685(b). Because of the interest you expressed in your letter of February 21, 1986, in the pending deferral of funds for construction of storage capacity for the Strategic Petroleum Reserve, we are enclosing a copy of our report to the Congress on that deferral.

We conclude that the current deferral of $156.8 million of the $197,940,825 reported by the President in Deferral No. D86-37 of his Third Special Message, February 5, 1986, is not authorized under the Act. Having determined that the deferral is improper, we need not address whether it should be reclassified as a rescission proposal.

We are advising the Secretary of Energy of our conclusion, and that the funds must timely be made available for obligation. We will monitor this account to assure compliance with the requirements of the Act.

Sincerely yours,

Charles A. Bowsher
Comptroller General
of the United States

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## MEMORANDUM FROM CHARLES A. BOWSHER

B-220532

February 25, 1986

To the President of the Senate and the
Speaker of the House of Representatives

On February 5, 1986, the President's third special message for fiscal year 1986 was submitted to the Congress pursuant to the Impoundment Control Act of 1974. This letter is our report, as required by section 1014(b) of the Act, 2 U.S.C. § 685, on one deferral in that message, affecting budget authority for the Strategic Petroleum Reserve (SPR). We conclude, for the reasons given below, that of the $197.9 million deferred, the withholding of $156.8 million is not in accordance with existing statutory authority. We do not in this report question the deferral of the remaining $41,140,825 of budget authority. We are continuing to examine this deferral, and will advise you if we conclude that it, too, is impermissible under the Impoundment Control Act. We will report separately on the remainder of the third special message.

## DEPARTMENT OF ENERGY

D86-37 Energy Programs
Strategic Petroleum Reserve
Amount Deferred: $197,940,825
89X0218

This deferral involves budget authority provided the Department of Energy (DOE) for the development, operation, and management of the SPR. This account was the subject of a deferral in fiscal year 1985. On February 6, 1985, the President announced a deferral of $270,738,000 in budget authority for the SPR (Deferral No. 85-31A). He explained that the deferred funds consisted of appropriations for the construction of crude oil storage facilities and resulted from his proposed indefinite moratorium on further development of the SPR. The President indicated that he would reassess the moratorium as fiscal and oil market conditions warrant.

In August 1985, however, the Congress passed and the President signed the Supplemental Appropriations Act for fiscal year 1985 expressly disapproving the deferral and directing that the funds be made available for obligation: "The Congress disapproves the proposed deferral D85-31A * * *. [T]he amount of the proposed deferral disapproved herein shall be made available for obligation." Pub. L. No. 99-88, 99 Stat. 293, 341 (1985).

The budget authority was made available shortly thereafter, and DOE issued an invitation for bids for SPR storage construction. DOE received bids on two contracts for the SPR's Big Hill storage site on December 13 and December 20, 1985. On December 27, DOE suspended award of these contracts. At the same time, DOE suspended receipt of bids scheduled for a third contract on January 21, 1986, delayed issuance of an invitation for bids for a contract for construction work at the Bayou Choctaw cavern, and directed its field office to terminate leaching activities at Bryan Mound and West Hackberry caverns. As a result, the funds have remained largely unobligated.

On February 5, 1986, the President reported the present deferral of $197,940,825 of budget authority for the SPR account. DOE has indicated that $156,800,000 of this amount is a redeferral of budget authority that was previously subject to the 1985 deferral proposal, D85-31A. As with his fiscal year 1985 deferral, D85-31A, the President reports in his February 5 special message that the pending deferral, D86-37, results from his proposed indefinite moratorium on further development of the SPR. The President states again, as he did in 1985, that he will reassess the moratorium as fiscal and oil market conditions warrant. In the meantime, he reports, the deferral will result in an indefinite curtailment of new storage facilities construction. He indicates that partially completed storage facilities will be mothballed, and completed facilities will be maintained in a state of standby operational readiness.

Section 1013(a) of the Impoundment Control Act of 1974 (the Act) (Pub. L. No. 93-344, 88 Stat. 332, 2 U.S.C. §§ 681, 684(a)) authorizes the President to defer budget authority until the end of the fiscal year in which the special message proposing the deferral is transmitted to the Congress. Deferred budget authority must be released for obligation earlier if either House of Congress passes an impoundment resolution disapproving the proposed deferral. The Act does not address the question of reimpoundment after a disapproval of an initial impoundment.

We have not interpreted the Act as absolutely prohibiting reimpoundments. We evaluate reimpoundments on a case-by-case basis. In some circumstances, we have not objected to the reimpoundment of funds that were the subject of an earlier disapproved impoundment. See, e.g., B-217736, April 12, 1985; B-208140, October 29, 1982.

Recently, for example, we concluded that funds which had been deferred without success could be redeferred in the next fiscal year, pending congressional action on a proposal then before the Congress to permit a transfer of both the redeferred funds and funds appropriated for the same purpose which had not been deferred, to other appropriation accounts. The redeferred funds were insufficient to complete the project for which they had been provided (building a tunnel). We were persuaded that the redeferral presented the Congress with different alternatives and considerations than the first deferral, and made sense to avoid a wasteful result: if the transfer were approved by the Congress, thus indicating its agreement that the tunnel should not be built, it would have made little sense to require the obligation of the redeferred funds toward the project. B-217736, supra.

In another instance, we concluded that funds which had been proposed for rescission without success could be deferred pending the agency's decision regarding the most sensible use of the funds. B-208140, supra. In that case, the reason for the later deferral was fundamentally different from the reason for the earlier rescission proposal, when the President in effect proposed never to use the funds for any activity.

In our view, the redeferral here of $156.8 million, unlike the reimpoundments in B-217736 and B-208140, does not result from any changed circumstances. In fact the reason given for the redeferral is the same reason which the Congress considered and rejected in August 1985. The President stated in both cases that the deferral resulted from his proposed indefinite moratorium on further development of the SPR, and that he would reassess his moratorium as fiscal and oil market conditions warrant.[1] As noted above, the Congress, after the first deferral, rejected this as a basis for withholding the SPR funds.

In its report on the fiscal year 1985 Supplemental Appropriations bill, which disapproved deferral D85-31A, the House Committee on Appropriations stated, "The long lead times necessary to construct and fill capacity require attention be given to future, rather than current, needs." H.R. Rep. No. 142, 99th Cong., 1st Sess. 107 (1985). The Committee pointed out that as a result of the deferral, the country would have no flexibility to deal with a crisis, and stated its expectation that construction recommence and that DOE adhere as closely as possible to previous schedules. Id. The Senate Appropriations Committee agreed with the House: "By concurring with the House and overturning the deferral, the Committee expects construction to restart immediately and adhere, as much as possible, to previous schedules." S. Rep. No. 82, 99th Cong., 1st Sess. 152 (1985).

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[1] In explaining the present deferral, D86-37, the President also said, "These funds cannot effectively be used this year * * *." According to DOE officials, the only reason the funds cannot effectively be used this year is the President's indefinite moratorium. But for the moratorium, they said, the funds could be used.

> The President, with the redeferral, is presenting the Congress with no new alternative or considerations; rather, he is asking the Congress to reconsider that which it has already thoroughly considered and rejected. Under these circumstances, it would be inconsistent with the purposes of the Act to allow the President to reimpound funds that were the subject of the previous impoundment. Taken to the extreme, such an approach would permit the President to withhold the funds indefinitely. This approach would negate the requirements of sections 1012(b) and 1013(b) of the Act to make budget authority available for obligation. We cannot interpret the Act in a way that effectively invalidates the procedures and safeguards that were established by its enactment.
>
> Accordingly, we conclude that the redeferral of $156.8 million is not permissible under the Act and that the funds must timely be made available for obligation. We are advising the Secretary of Energy of our conclusion. We will monitor this account to assure compliance with the requirements of the Act.

### ACTIVITIES AFTER OVERTURN OF FISCAL YEAR 1985 DEFERRAL

Senator McClure. The fiscal year 1986 proposed moratorium was overturned by Congress in the fiscal year 1985 supplemental appropriations which was signed by the President in mid-August 1985. Subsequently additional budget authority for construction was included in the fiscal year 1986 continuing resolution.

Aside from ongoing contracts for maintenance and operations activities, which were in place prior to the overturn of the deferral, what additional activities were initiated after the deferral was overturned?

Mr. Furiga. Mr. Chairman, right after the overturn in August, we reactivated those three major solicitations for Big Hill, and those solicitations were sent back out on the street for bids. There was no time lost there.

Those bids, the first two, were opened in late December, right on time. At that time we became aware of the policy for the moratorium in the 1987 budget submittal. In order to act in good faith with our contractors, rather than awarding those contracts, we suspended action.

Then when the money was required to file the deferral with the 1987 budget, those procurements were again cancelled. They were not in a contract stage——

Senator McClure. In other words, you did some paper shuffling, but you did nothing else?

Mr. Furiga. In September and October when those IFB's were sent out on the street, our intent was to award those contracts.

Senator McClure. You proceeded with pure mind and pure heart, and in spite of your good intentions nothing happened. No new contracts were entered into and no new construction activity was initiated.

Mr. Furiga. That is true, Mr. Chairman.

Senator McClure. I think one addition to the record at this point, a refinement, and I don't mean to beat a dead horse. You indicated that you became aware in December that they were going to propose a deferral. The deferral was not actually transmitted until in February. So you acted in anticipation of an action which would be taken later; is that correct?

Mr. FURIGA. We were acting on guidance received because it does take time for the fiscal mechanism to function in order to retrieve the funds from the DOE field offices back to DOE headquarters so that the administration can file a deferral.

Senator McCLURE. Were you instructed not to enter into contracts?

Mr. BAUER. No; Mr. Chairman.

Senator McCLURE. You thought of that all by yourself?

Mr. BAUER. No; it was back in December—it was right after Christmas—December 27 when we notified the congressional committees of our plans to suspend that. And shortly thereafter, I think it was the last day of the calendar year when we knew that there was going to be the moratorium. We directed the field to suspend those procurements and that we would be withdrawing the money so that a deferral could be submitted.

Senator McCLURE. I will put a letter in the record at this point signed by Assistant Secretary Martha O. Hesse, dated December 27, 1985 which indicated to the Appropriations Committee that it was indeed the administration's desire to, or that it was planning to submit a deferral and therefore they would withhold any further action, which is somewhat different than your statement that it was your own idea.

[The information follows:]

### LETTER FROM MARTHA O. HESSE, ASSISTANT SECRETARY, MANAGEMENT AND ADMINISTRATION, DEPARTMENT OF ENERGY

DECEMBER 27, 1985.

HON. MARK O. HATFIELD,
*Chairman, Committee on Appropriations,*
*U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: This is to inform you of the Department's plans to submit a deferral of funds for the strategic petroleum reserve [SPR] storage facilities development. This deferral is specifically related to the delay of procurement activities for Big Hill construction and capacity development at other sites.

We believe such a delay is appropriate at this time to afford the administration an opportunity to consider options for future SPR funding. This is particularly so in light of the deficit reduction targets in the Gramm-Rudman-Hollings Act and the fiscal constraints we all face. A deferral representing this decision will be submitted to the Congress with the President's fiscal year 1987 budget request in early February.

We recognize your keen interest in this program and since we are currently taking actions to withdraw these funds, we wanted you to be informed. We will provide additional information to you when the deferral is officially transmitted by the President.

Sincerely,

MARTHA O. HESSE,
*Assistant Secretary,*
*Management and Administration.*

### INSTRUCTIONS FROM SECRETARY

Mr. BAUER. No; it wasn't my own idea, Mr. Chairman, the Department——

Senator McCLURE. Well I thought a moment ago you said you had gotten no instructions.

Mr. BAUER. Pardon me, Mr. Chairman.

Senator McClure. You may not have gotten any instructions from Secretary Hesse, but we did.

Mr. Bauer. Yes.

Senator McClure. Is that right?

Mr. Bauer. Yes.

Senator McClure. She talks to us more than she talks to you.

Mr. Bauer. No; the same instructions, Mr. Chairman.

Senator McClure. Do you want to change your earlier answer then that you did have instructions?

Mr. Bauer. Yes; I did have instructions.

Senator McClure. Senator Johnston.

Senator Johnston. Thank you, Mr. Chairman.

### GENERAL ACCOUNTING OFFICE RULING

Gentlemen, under the law the Department must within 5 days determine what to do with respect to the GAO ruling. Have they determined what they are going to do yet?

Mr. Bauer. Senator Johnston, we had known that GAO had been solicited for an opinion. When Chairman McClure made the statement that now GAO does have an opinion, we did not know that until this time.

I would assume that that opinion would be provided to the Department or, if not, I would be pleased to take it and get the Department to work on it and review and analyze it and decide the appropriate course of action. I did not know that until this time. This is news to me.

Senator Johnston. I must say I feel about this letter a little like the innocent man who was just declared innocent by the jury, and he says, "I have great faith in the system." Thank God for the Comptroller General of the United States. I can't imagine, frankly, any other conclusion.

I know that this is a policy handed down to you. You didn't think of it yourself.

Mr. Bauer. No; I didn't. I knew that Congress had gone to the Comptroller General and asked for an opinion.

Senator Johnston. I mean the moratorium was not thought of either by you or Mr. Furiga.

Mr. Bauer. No, sir.

### STRATEGIC PETROLEUM RESERVE MORATORIUM

Senator Johnston. Have they ever discussed what moratorium meant? You used the term "revisit," and I think they used the term "reassess." Did anybody ever tell you what that really meant?

Mr. Bauer. No, sir.

Mr. Furiga. It is not a termination. It is a moratorium, which is indefinite in terms of proceeding with the SPR development.

Senator Johnston. Would you care to tell me what the difference between a termination and moratorium is?

Mr. FURIGA. I think a termination is rather final in my mind, but a moratorium, there is the possibility——

Senator JOHNSTON. A moratorium is just final with respect to this administration.

Mr. FURIGA. That is not my understanding, Senator.

Senator JOHNSTON. Isn't that fair?

Mr. FURIGA. That is not my understanding.

Senator JOHNSTON. Do you really think that they had in mind—I mean here you have this big work force out there at Big Hill—do you really think they had in mind that a few months from now, after undergoing the huge cost of dismantling this whole team and paying whatever costs there were, that in a few months from now they would say well, the price of oil has gone up or down and therefore now we are going to go back and finish Big Hill? You don't mean that really.

You don't have to take credit for this policy. It is not yours. I don't know why you would want to do that. Nobody believes that.

Mr. FURIGA. Well, Senator, as far as the large work force at Big Hill, a large piece of that work force would be leaving during this fiscal year in any event. They are the people doing work on the large construction contracts that are in place right now. Those contracts are being completed. That is a lot of people and they would leave normally.

The contractor that is, of course, affected most directly by the moratorium, by the Big Hill moratorium, is the architect/engineer. Those services are no longer required if we are not going to award new major construction contracts at this time.

But as far as vast numbers of people at Big Hill, the majority would be leaving anyway as those contracts are completed this fiscal year.

Senator JOHNSTON. Well, in case you don't know, I can tell you it is the intent of the administration to terminate the strategic petroleum reserve and everybody knows that.

And I think, frankly—I mean I know what the budget process is in this country, and I know the difficulties, but I think the administration suffers a great lack of credibility when they attempt, not only to evade the law and to pervert the law, in my judgment, but to then give synthetic phony excuses for having done so. It is just as phony as a $3 bill, and besides that, they have made a deal, made several deals on what was going to be done.

I don't blame you gentlemen because you are loyal soldiers, but you are representing the administration, and I am speaking to the administration. If you make an agreement, you ought to stick to it, and this administration has not done so time after time.

We made an agreement with respect to the Synthetic Fuels Corporation. Twice we made an agreement under Senator McClure's leadership. I mean this wasn't making an agreement with the enemy. These were people who had been friends of this administration, including myself.

With respect to the first agreement on the Synthetic Fuels Corporation, the ink wasn't dry and they were trying to undo it; and, in fact, did undo it, but then we came back. Senator McClure and I said why did you do that? I had listened carefully, and I just said I didn't quite understand what they were saying when they said well, we just had to do it.

Then they made another agreement, which was to terminate the Synthetic Fuels Corporation, but to continue clean coal and not to disturb the strategic petroleum reserve. The ink wasn't dry on that agreement and here they are again, giving the most synthetic of phony excuses—it is not a termination, it is only an indefinite moratorium that we are going to revisit.

Well, gentlemen, people don't believe that. I know you have to say it, you are loyal soldiers. That is what they told you to say, and I am not criticizing you—much. [Laughter.]

But I sure do criticize the administration. If they want to save money, they can be up front about it because this undermines the whole relationship between committees and those who work with the administration. The next time you come around we are going to think, well, they tell us this and do they really mean that. We have to go around to find our sources rather than be able to believe something when somebody tells you that.

### COSTS TO COMPLETE THE STRATEGIC PETROLEUM RESERVE

Now do you have any estimate of the incremental costs for 1987 to complete the SPR storage capacity program, to complete it by 1991, compared with the standby plan which is assumed in the President's budget request?

Mr. FURIGA. Senator, the standby request through 1991 I believe totals $1 billion. It is roughly $150 million a year in the standby stage. To complete a 750 million barrel reserve, including the distribution enhancements that we have planned right now, is another $400 million. So you are talking on top of the billion another $400 million. But most of that $400 million would be near-term outlays primarily at Big Hill.

Senator JOHNSTON. So it is an overall difference between $1 billion and $1.4 billion?

Mr. FURIGA. That is right, sir.

Senator JOHNSTON. Last November 14 your staff provided to the committee a document comparing the budgetary requirements for the completion of a 750 million barrel capacity with the funds required to develop only a 550 million barrel capacity and limited preleaching construction for the remaining 200 million barrel storage capacity.

It is my understanding that it will cost only $18 million more from 1987 through 1991 to go with full construction now. This assumes the full availability in expenditure of the $112 million appropriated for SPR construction in fiscal year 1986. Now you are telling me that is not correct?

Mr. FURIGA. I think we are talking about different circumstances, Senator. We are talking of a 750 million barrel reserve, and I just heard 550 and $18 million. It does not track to complete a 550 system, which is what we would have had at the end of this fiscal year had we continued leaching at Bryan Mound and West Hackberry. The $18 million number sounds correct. That is what it would have cost to go to the 550, which would be just West Hackberry and Bryan Mound. It is not going to the 750 million barrel system.

Senator JOHNSTON. West Hackberry and Bryan Mound would give you only an additional 18 million barrels.

Mr. FURIGA. To get to 550 million barrels, yes, sir.

Senator JOHNSTON. Well, my staff thinks our position was correctly stated, but if you would clarify that for the record, I think that would be helpful.

Mr. FURIGA. Yes; we will, Senator.

[The information follows:]

### BUDGET EFFECTS OF CONTINUED SPR DEVELOPMENT

Using cost estimates developed in the fall of 1985, the Department projects that immediate resumption and continued full development of facilities, including distribution enhancements, for a 750 million barrel SPR would result in additional costs of approximately $392 million through fiscal year 1991. These 1985 cost estimates are currently under review to determine revisions that may be appropriate based on more recent data.

The table below presents annual budget authority and outlays in the standby and the full development scenarios from fiscal year 1986 through fiscal year 1991.

[In millions of dollars]

| | Fiscal year— | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | Total |
| Standby: | | | | | | | |
| Budget authority | 108 | 0 | 106 | 161 | 167 | 171 | 713 |
| Budget outlays | 251 | 237 | 155 | 160 | 166 | 170 | 1,139 |
| Full development: | | | | | | | |
| Budget authority | 108 | 196 | 195 | 203 | 203 | 200 | 1,105 |
| Budget outlays | 291 | 387 | 241 | 211 | 202 | 199 | 1,531 |
| Incremental: | | | | | | | |
| Budget authority | 0 | +196 | +89 | +42 | +36 | +29 | +392 |
| Budget outlays | +40 | +150 | +86 | +51 | +36 | +29 | +392 |

### RESUMPTION OF FILL

Senator JOHNSTON. Now you said that this matter of refill would be revisited based upon the price of oil in the world. Do you intend to refill if the price goes down or goes up? Which makes it more likely?

Mr. BAUER. The logical answer is when the price is down that is when you would fill. But there are several factors that one would look at when one is making that decision to resume fill: the world market, the usage plan, what the import rate is, the amount being conserved, and other factors.

Senator JOHNSTON. You would agree with me then that the price going down would tend to make you refill?

Mr. BAUER. That is only one of many factors, but I would agree with that factor.

Senator JOHNSTON. Now this moratorium was started when the price of oil—or it was communicated to you—when the price of oil was, what, $28?

Mr. BAUER. It was about $27 or $28.

Senator JOHNSTON. And the price is now headed toward $15.

Mr. BAUER. It is $16.75 for sour crude delivered.

Senator JOHNSTON. All right. Now the percentage of imports from Arab OPEC countries has not increased or decreased since that time, has it?

Mr. BAUER. No; it has not.

Senator JOHNSTON. Are there any other factors which would tend to make you have the moratorium as opposed to lifting the moratorium?

Mr. BAUER. I think the key factor, Senator, is the budget deficit issue and the outlays.

Senator JOHNSTON. And those have not gotten worse. They have probably gotten better from the standpoint of lifting the moratorium; is that correct?

Mr. BAUER. I don't understand the question, Senator.

Senator JOHNSTON. Well, the amount of the deficit is an estimate, and those estimates as to the amount of the deficit have gone down since late calendar year 1985.

Mr. BAUER. For the SPR oil. You are talking about outlays for SPR oil.

Senator JOHNSTON. No; I am talking about——

Mr. BAUER. Oh, the national?

Senator JOHNSTON. The national deficit.

Mr. BAUER. I agree.

Senator JOHNSTON. That is all I have, Mr. Chairman.

### PREVENTIVE MAINTENANCE

Senator MCCLURE. Mr. Secretary, you have purchased a great deal of equipment, especially at the Big Hill site, which will require preventive maintenance; isn't that correct?

Mr. BAUER. Yes, it is, Mr. Chairman.

Senator MCCLURE. Can you describe the equipment and what preventive maintenance is being performed and what costs are involved?

Mr. FURIGA. Taking the last part first, Mr. Chairman, if I may, we estimate the equipment that we have purchased and installed at Big Hill will cost $8 million a year to maintain in a standby readiness mode. That is to maintain the whole site during a standby readiness mode.

The types of equipment we are talking about are your normal pumps, motors, valves, meters, the electrical systems, generators, and control systems, that we have plans to maintain. We just completed a transition plan to get us into the standby which we will be very pleased to share with your staff to review. The plans are well thought out and we are not going to do anything foolish and the equipment will be maintained.

Senator MCCLURE. Do you have any equipment that has been purchased that is not installed?

Mr. FURIGA. I believe our current plan is that a great majority of the equipment that has been purchased will be installed. Last year it was a different story. We had not installed that equipment yet.

Senator McClure. But there was a long lapse of time between turning over the deferral and you have made no actual purchases. So we are several months away from any actual purchase activity; is that correct?

Mr. Furiga. We haven't bought any new equipment in over a year.

Senator McClure. That is why the situation is different this year is because there has been a period of inaction on the purchasing front.

Mr. Bauer. That is true.

Mr. Furiga. But we had already bought most of that equipment as long-lead equipment, and since August until this time we have been installing that equipment at Big Hill.

Senator McClure. Is there any difference between the preservation and maintenance costs of the equipment installed there now in an active program or in a standby program?

Mr. Furiga. I don't believe the cost increment would be significant. The type of maintenance we have to do is, of course, different and, as I said, we intend to maintain that equipment to the best of our ability.

Senator McClure. Will you provide for the record an analysis of what your costs will be, the kinds of work you will be doing in order to put it into standby and what the costs of that work will be?

Mr. Furiga. Yes, Mr. Chairman.

[The information follows:]

### Standby Transition Costs

The strategic petroleum reserve will incur a cost of approximately $420,000 to place the Big Hill storage site in a standby operational mode. These costs are for temporary site fencing, wellhead cathodic protection, temporary terminations of electrical and instrumentation connections, and site and wellpad seedings.

At Bryan Mound and West Hackberry where all construction has been completed, except for cavern leaching, there are no specifically identifiable costs to place these sites in a standby operational mode.

### BUDGET ACT COMPLIANCE

Senator McClure. I will be submitting a number of questions, some of which relate to the Budget Impoundment and Control Act of 1974 because I think we are running into a heightening problem of good faith efforts by the administration to comply with that provision of law. Back-to-back deferrals, sequential rescissions and resubmission of rescissions strike many of us as being more of a stalling action than it is a bona fide attempt to come to an agreement with the Congress as to what the policy and program should be, and there are a number of us who are growing more concerned about whether or not there is a good faith attempt to abide by the law or whether it is a good faith attempt to evade the law. I guess that depends upon a person's definition of what is good or bad.

## JOBS AT BIG HILL

Senator JOHNSTON. I have one question. Am I correct that continuing construction of Big Hill would involve 370 construction related jobs and 380 permanent jobs for a total 750 jobs?

Mr. FURIGA. I have heard the number of 800. I have not verified that number. I believe that number may have come from one of our contractors. I do know in terms of architect/engineering services we are talking about 140 people.

The new construction contracts could well involve the people you are talking about, perhaps not all on site at the same time, but subcontractors coming and going. It could well be that number.

Senator Johnston. We are talking 750 to 800 roughly?

Mr. FURIGA. Potentially. We have not verified that number, Senator, but I have heard it.

Senator JOHNSTON. Thank you very much.

## ADDITIONAL COMMITTEE QUESTIONS

Senator MCCLURE. There will be some additional questions to be submitted for response for the record, and I will ask other members of the committee to submit those by no later than close of business tomorrow so we can get responses back for the record.

Senator MCCLURE. Gentlemen, thank you very much.

Mr. BAUER. Thank you, Mr. Chairman.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

### Naval Petroleum Reserves Privatization

Question: I have always questioned the motives surrounding the purchase and sale of government property. It always seems that we try to sell when the price is depressed and to buy when the price is high. To make matters worse, we try to deal in quantities.

If the current depressed price of oil continues, how will this impact the sale of Nos. 1 and 3?

Answer: The potential impact on the sale of NPR No. 1 and NPR No. 3 depends on how long the currently depressed price of oil continues. Market analysts are currently projecting that the oil markets are at or near their low point, and are likely to stabilize and then gradually rise over the next few years. Whether these forecasts are accurate, only time will tell, but the market for oil reserves is based on long term economic expectations rather than just current oil prices.

If the current oil price continues and the government continues to own and operate NPR Nos. 1 and 3, receipts will, of course, be lower than if prices had remained higher -- but there is little that we can do about the lower prices. The relevant comparison is government operations under those conditions and an outright sale.

If we sell the Reserves outright we are likely to get the buyer's estimate of the value of the Reserves as producing assets. In financial terms if we sell the fields, we are likely to get the capitalized value of the future income stream from the fields. Since these assets are likely to continue producing for some years to come, the buyer would reflect its expectations of future oil prices in its bid for the Reserves. If the buyer expects prices to rise, the buyer would reflect that in its bid. The prospective buyer faces roughly the same earnings stream, engineering, and geology that we do, and it would scale its offer accordingly.

Since the sale price reflects what buyers expect about the future, there is little reason to think the government would be made worse off from an outright sale of the fields when you compare an outright sale to the government's alternative policy of holding onto the Reserves and selling the oil "a barrel at a time" as we are currently doing.

A sale might make us better off. To the extent that the private buyer would be able to cut costs and operate the fields more efficiently, he would reflect that in his bid. A private owner may pay a premium for the fields because the owner feels he can run them more efficiently than the government, or simply wants a source of domestic crude, for example. And we would sell the fields to the highest bidder--the party or parties who were most optimistic about their ability to run the fields efficiently or who expect oil prices to rise the most. When these factors are weighed, it becomes apparent that an outright sale may be more beneficial to the government than continuing to operate the fields.

Question: The current depressed price of oil has reduced the cash flow of many oil companies and has forced banks to renegotiate many energy loans.

What sort of a change in the market would force the cancellation of the proposed sale of NPR?

Answer: We would cancel the sale if the evidence showed it were more advantageous to the government to hold onto the fields than to sell them. The government would establish what appears to be a fair and reasonable return for the taxpayers and would not be obligated to consumate a sale if this criterion were not met. In such case, we would reconsider the timing of the sale.

## Naval Petroleum Reserves Budget

Question: Last year, Naval Petroleum Reserves Nos. 1 and 3 produced just over 1.2 billion dollars in revenue which assumed a price of 24 dollars and 52 cents per barrel. In fiscal year 1987, the projected revenues are anticipated to be just over 1 billion dollars, which assumes a price of $24 dollars and 2 cents per barrel. This year-to-year decrease reflects the increased development of NPR fields and the fact that to maintain that revenue, more money will need to be spent on enhanced oil recovery (EOR).

In fiscal years 1985, 1986, and again in fiscal year 1987, the budget for the Naval Petroleum Reserves reflects the use of prior year funds. 39 million dollars in fiscal year 1985, 155 million dollars in fiscal year 1986, and 36 million proposed in fiscal year 1987. Every year this has been proposed, there is always a justified reason.

Because of the revenue it generates, I can understand the need to fully fund this program. However, does the budget of NPR receive the same scrutiny that other programs within the Department receive, or is it overlooked because of the revenue and the large unobligated balances which result every year?

Answer: The budget for the Naval Petroleum Reserves is reviewed in depth through the same process that is used for other programs in the Department. Over the past year, the Department has engaged in a systematic procedure of reviewing unspent balances of appropriations to develop consistent policies toward forward funding of activities, and it was through this reexamination that the potential for offsetting future year appropriation requirements has been identified.

Question: The provisions of Gramm-Rudman require the sequestration of funds if the deficit does not reach a certain target every year. The constitutionality of this provision is being challenged in court, but at the present time, it remains part of the law. However, the sequestration of funds does not apply to prior year budget authority; it only applies to new budget authority.

Since NPR uses such a large amount of prior year balances, the sequestration for fiscal year 1986 is relatively small (584 thousand dollars or .3%).

The Subcommittee is reviewing all revenue producing programs in an effort to see whether the implementation of sequestration will cost the government more in revenues than it will in budgetary savings.

Could the fiscal year 1987 budget for NPR accommodate the remaining 4 percent fiscal year 1986 sequestration?

Answer: As noted earlier, the Department has sought to reduce unexpended balances of appropriations to the fullest extent consistent with prudent management, hence, there has been some reduction in the overall degree of financial flexibility accorded to the Naval Petroleum and Oil Shale Reserves. While specific contingency plans have not been developed to accommodate further across-the-board reductions in new budget authority, we would expect that such a reduction would be initially reflected in new facilities construction and drilling and in the area of preventive maintenance. Reductions in such areas might not immediately affect production levels and sales revenues but over time such impacts could be expected.

It should be noted that the full-funding practices of the Department with regard to Naval Petroleum Reserve No. 1 entails not offsetting the private unit partner's contribution against the appropriation. Thus, all work assigned to the operating contractor including work funded by the private sector, would be affected by a decrease in appropriations, resulting both in the physical impacts described above and in reduced Treasury receipts from the private partner.

Question: If not, assuming that sequestration remains constitutional, does the Subcommittee need to make accommodations and essentially exempt NPR?

Answer: The effects of budget reductions as described above are relevant only to the extent that the government continues to own and operate the Naval Petroleum Reserves. Since the Department expects to forward legislation to the Congress to authorize the sale of the Naval Petroleum Reserves, the Department is not proposing legislation to exempt the Naval Petroleum Reserves from the Gramm-Rudman-Hollings legislation.

## Petroleum Procurement Procedures (DOD)

Question: One of the original motivating factors behind the establishment of NPR was its use by the Department of Defense in a defense emergency. According to your justification, legislation was enacted in 1984 that simplifies DOD's petroleum procurement procedures.

Can you describe that legislation and how it has improved the procurement procedures?

Answer: The fiscal year 1985 DOD Authorization Bill (P.L. 98-525) provided the Secretary of Defense, under certain conditions, with authority, for any purchase of petroleum, to waive the application of any provision of law prescribing procedures to be followed in the formation of contracts, or regulating the performance of contracts, in order to facilitate the acquisition of petroleum for DOD. This authority was codified in title 10, section 2404.

The basic intent of this authority was to give DOD the ability to compete for petroleum in the marketplace on the basis of prices without the impediments of small business set-asides and other requirements which have adversely affected DOD's competitive position in past petroleum emergencies. Such authority would only be used in emergency situations, and has not been exercised to this time.

## Defense Petroleum Requirements

Question: This is the first time I have ever heard our energy problems described as simply procurement problems.

If there is an energy emergency and a defense emergency requiring a large amount of oil, aren't we shortchanging this nation's security by forcing DOD to stand in line and bid for oil from the Strategic Petroleum Reserve?

Answer: The Department of Defense requires refined petroleum products for use in either normal periods or during defense emergencies. The Strategic Petroleum Reserve contains crude oil. The Administration believes that the needs of the Department of Defense for energy supplies can best be met through the following measures:

- Storage of an appropriate amount of refined petroleum products by the Department of Defense;
- Providing the U.S. refining industry with rapid, market-oriented access to Strategic Petroleum Reserve crude supplies;
- Providing, as was authorized in 1984 legislation, the Department of Defense with streamlined access to refinery output of petroleum products by permitting waivers of Federal procurement laws; and

- If necessary, invoking Defense Production Act authorities to provide additional Department of Defense access to refined product markets.

Question: To your knowledge, are there any plans at DOE or elsewhere that would replace NPR oil for SPR oil in a defense emergency?

Answer: The Naval Petroleum Reserves are producing reserves whose production has already been absorbed into the peacetime marketplace; the level of national petroleum supply availability is not likely to change based on ownership of the Naval Petroleum Reserves. Consequently, the Naval Petroleum Reserves have little emergency significance. Furthermore, Naval Petroleum Reserve production rates are too low to be of strategic importance. The Strategic Petroleum Reserve, on the other hand, does have strategic significance strictly as an emergency measure; it is capable of high drawdown rates to supplement the normal domestic supply base.

To a great extent, the actions taken by the government since the mid-1970's in developing and producing the Naval Petroleum Reserves while filling the Strategic Petroleum Resrve constitute a recognition of the relative strategic merits of storing the nation's emergency petroleum reserves in man-made storage facilities designed for rapid drawdown and distribution.

Question: To your knowledge, are there any plans to give the DOD an "upper hand" in bidding for SPR oil?

Answer: There are no plans at the Department of Energy to give the Department of Defense the "upper hand" in bidding for Strategic Petroleum Reserve oil. The current plan for use of the Strategic Petroleum Reserve would distribute the Strategic Petroleum Reserve oil by price-competitive sale with award to the highest bidder. The sale would be open to all interested buyers, including Federal agencies such as the Department of Defense. The Strategic Petroleum Reserve Drawdown Plan includes discretionary provisions for the Secretary of Energy to direct the distribution of up to 10 percent of the volume of drawdown. Thus, the Department of Defense stands to benefit directly or indirectly in three ways from a decision to begin the Strategic Petroleum Reserve drawdown. First, because Strategic Petroleum Reserve crude oil will add to the level of supplies already in the marketplace, historical suppliers would have more petroleum from which to refine fuel for the Department of Defense. Second, Defense Fuel Supply Center could decide to become a bidder for crude in its own right and, if successful, could then exchange that crude for refined products. Third, although there are no plans at present for such use, it is possible that the Secretary of Energy could direct up to 10 percent of the Strategic Petroleum Reserve drawdown to the Department of Defense or its suppliers for specific defense purposes.

## NPR No. 3 Operations Budget

Question: For Reserve number 3, the Operations budget reflects a proposed decrease of 4 million, 476 thousand dollars or 22 percent and the Development budget reflects a proposed decrease of 14 millon, 797 thousand dollars or 95 percent from the fiscal year 1986 level.

Can you explain these decreases?

Answer: The fiscal year 1986 budget request for Reserve No. 3 proposes a decrease of $4.5 million in the Operations budget. This is essentially due to improved, more efficient operation and reductions in programmatic requirements. Principal among the reductions are a $1.7 million decrease in enhanced oil recovery costs; a $ .7 million reduction in the operator award fee pool; and a $ .6 reduction in operator costs in the areas of personnel, training and travel.

The fiscal year 1986 budget for Development Facilities requested $5.0 million for three new enhanced recovery projects. This, along with funds appropriated in prior years, completed the development funding for enhanced recovery pilot projects. These pilot projects are now in an operations and maintenance phase, and there are no major facilities requirements in fiscal year 1987. A determination as to expansion of one or more of these projects will be made in late fiscal year 1986, given economic and technical success. The fiscal year 1987 budget request includes funds for engineering and design work. Should expansion occur, funding for additional facilities requirements would be reflected in the fiscal year 1988 budget.

## Anvil Points

Question: In fiscal year 1986, the Committee approved a $4 million reprogramming to demolish and remove the real and personal property from Anvil Points, a former oil shale R&D facility located on Naval Oil Shale Reserve No. 3. This request was made because all programmatic activities have ceased and none are planned.

Can you give me an update on what has been done at Anvil Points and what remains to be done?

Answer: All property has been removed from Anvil Points including buildings, retort facilities, storage tanks, and shale oil by-products. The land has been regraded to reduce erosion, topsoil was redistributed and revegetation has begun. Reclamation should be completed by the end of March.

Question: Will an Environmental Assessment be required for the monitoring of the spent shale?

Answer: The Department has studied the question of the waste shale pile and has determined that it may be left in place and monitored without any significant environmental impacts. Therefore, a formal Environmental Assessment is not required.

## Bechtel Petroleum Operations, Inc.

Question: Last year, Bechtel Petroleum Operations, Inc. took over from Williams Brothers Company as the management and operation contractor at Naval Petroleum Reserve Numbers 1 and 2. How has the transition gone between the two contractors? What are the contract stipulations with Bechtel if NPR Number 1 is sold?

Answer: Management and operational responsibilities were effectively transferred from Williams Brothers Engineering Co. to Bechtel Petroleum Operations, Inc. during the prescribed transition period. Schedules and milestones established by DOE were routinely accomplished with minimum disruption of field operations.

The Department of Energy Acquisition Regulations (DEAR 970.5204.45) provides for the termination of the contractor, "whenever, for any reason, the contractng officer shall determine any such termination is in the best interest of the Government." Should the Reserves be sold, it is within the terms of the contract to terminate the contractor, at the convenience of the Government.

## FTE's at NPR No. 1

Question: At NPR number 1, I note that the full time equivalents (FTE's) are proposed to decrease from 65 in fiscal year 1986 to 56 in fiscal year 1987.

Does this have anything to do with the proposed sale or is it simply because Bechtel Petroleum has determined that less people will be required?

Answer: The reduction in FTE's from 65 in fiscal year 1986 to 56 in fiscal year 1987 is not related to the privatization of NPR No. 1 nor was it determined by Bechtel Petroleum that less people would be required. In negotiating the new management and operating contract with Bechtel Petroleum, certain technical functions previously performed by DOE staff were transferred to the contractor. Based on this, it was determined that a reduction of FTE's could be effected without impairing operation and development of the Reserve.

## O&M Activities at NPR Nos. 1 and 2

Question: There was a 38 percent increase from fiscal year 1985 to fiscal year 1986 for various routine operations and maintenance activities at Reserve numbers 1 and 2. These include production, collection, storage, and distribution systems; supervision of drilling and downhole well work programs; operation of water production, disposal and injection systems and other items.

For fiscal year 1987, you are proposing a slight decrease for the same activities.

Can you explain the increase from fiscal year 1985 to fiscal year 1986; is it simply a function of the reserves becoming developed?

Answer: The increase from fiscal year 1985 to fiscal year 1986 for various operation and maintenance activities reflects a comparison of actual costs for fiscal year 1985 versus the amount budgeted for fiscal year 1986. This is somewhat misleading in that while the amount budgeted in fiscal year 1985 was actually slightly higher than in fiscal year 1986, the work completed was less than the amount planned at the beginning of the year, resulting in the increase. This was due in large part to the transition to the new contractor, Bechtel Petroleum. It was determined that the transition could be accomplished more effectively if the amount of work in progress that had to be transferred to the new contract was minimized, simplifying award fee determinations, the billing process and close-out of the previous contract. Thus, the previous contractor was limited, in large measure, to activities that could be completed by the end of the contract period. Work not started or completed was transferred to the new contractor and is planned to be accomplished.

Question: How does this relate to the new Bechtel contract, if at all?

Answer: This relates to the new Bechtel contract only in that the transition to a new contractor resulted in less expenditures than planned for fiscal year 1985. We feel that the budgeted amounts for fiscal year 1986 and fiscal year 1987 more accurately reflect the level of effort that will be accomplished for a full year under the Bechtel contract.

### Deep Test Well at NPR No. 1

Question: In fiscal year 1985 you initiated a deep test well designed to drill up to 25 thousand feet. Work on this well continued in fiscal year 1986 at a cost of 9.9 million dollars.

What is the progress of this test well?

Answer: At the end of February 1985, the depth of the well was 10,410 feet. Cumulative costs since drilling commenced on May 30, 1985, are $7.24 million. Drilling is scheduled to be completed by July 1987.

Question: How will the success or failure of this well impact the proposed sale?

Answer: Any potential buyer will carefully assess the fields before making a bid, projecting revenues and costs based on all available information. The deep test provides potential buyers with additional information and thereby reduces risk and uncertainty somewhat for them. The impact of the deep test on the proposed sale will depend on the amount and kind of information that is available from the well when prospective buyers prepare their bids. Note that the test is a two edged sword: favorable information is likely to increase the bids but unfavorable information could decrease them. This is one of many factors that a bidder would deal with in making his assessment of NPR No. 1.

## NPR Nos. 1 and 2 Administration Building

Question: 500 thousand dollars was provided in fiscal year 1984 for a new building at reserves 1 and 2 in California.

What is the status of that building and the funds?

Answer: The $500,000 in question was provided only for the use of an architectural and engineering (A&E) firm for design and construction management. A study by DOE showed that it was economical to build on Elk Hills rather than lease off the Reserve, and permission was received to build in January, 1985. Subsequent to that approval, a new Operating Contractor was selected for NPR No. 1, Bechtel Petroleum Operations, Inc. It was decided to have the new Operator revalidate the space requirements for his new organization and staffing needs and to study alternative solutions, with a due date of December 1985 to submit a conceptual design report for validation in the fiscal year 1988 budget cycle.

The Bechtel draft study submitted in October 1985 considered office space for all workers on Elk Hills. A final study was delivered in December 1985, which evaluated further the space requirements and contained economic analyses of each of the alternatives. Conceptual designs were prepared for a pre-engineered building (Admin-2) and other general plant facilities at NPR No. 1 (new 35R administration and security building). In addition, a new industrial building at 11G was proposed for future construction (1989) to house light industrial functions (drafting, laboratories, etc.) shifted from 36S.

The final study will be reviewed by Chevron. A decision is expected by March in order that the design could be validated and construction funds included in the fiscal year 1988 budget. Of course, if NPR No. 1 is sold as proposed, there would be no need to request fiscal year 1988 construction funds.

## NPR No. 3 Grazing Fees

Question: At reserve number 3 in Wyoming, your budget indicates revenues of 15 thousand dollars in fiscal years 85, 86, and 87 to be derived from grazing fees on those lands.

It is my understanding that you did not use BLMs methods of computing grazing fees. It that accurate?

Answer: The Bureau of Land Management formula for computing the leases was not used.

Question: What method was used and why?

Answer: A competitive negotiated fee was used pursuant to the DOE Order No. 4300.1A, Real Property Management. That Order requires all DOE organizations to obtain "Fair Market Value" for all leases granted. To determine the fair market value for the grazing leases at NPR No. 3, DOE appraised the surrounding areas and ranchers for similar grazing leases in the local area of NPR No. 3.

## Strategic Petroleum Reserve 1985 Deferral Overturn

Question: For the record, please provide the activities and total obligations related to the activities which were initiated after the deferral was overturned.

Answer: Upon overturn of the fiscal year 1985 deferral by the Congress in August 1985, full development activities for a 750 million-barrel program resumed. In September 1985, the Department reinitiated the procurement process to resume construction activities associated with the 750 million-barrel program. Also, leaching operations continued through the first quarter of fiscal year 1986, an action not contemplated as part of the proposed moratorium. Ninety-five million dollars were committed during the first quarter of fiscal year 1986 for construction procurements, principally for the development of the Big Hill site. It was these procurements that were cancelled in January 1986, pursuant to the Administration's proposal to reinstate a moratorium on further SPR development.

## Strategic Petroleum Reserve - Remaining Storage Development and Costs

Question: For the record, please provide, by site, the storage capacity remaining to be developed as well as the cost, by barrel, to complete discrete increments of storage capacity (i.e.. caverns).

Answer: Based on cost estimates developed in the fall of 1985, the incremental cost above standby operations to complete the remaining site developments is:

| Storage Site | Remaining (or Uncompleted) Caverns | Remaining Capacity (MMB) | Incremental Cost* (Million) | Incremental Cost/Barrel |
|---|---|---|---|---|
| Bryan Mound | 4 | 27.4 | $ 7.4 | $0.27/BBL ** |
| West Hackberry | 6 | 53.2 | $ 18.8 | $0.35/BBL ** |
| Bayou Choctaw | 1 | 10.0 | $ 19.5 | $1.95/BBL |
| Big Hill | 14 | 140.0 | $247.0 | $1.76/BBL |

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* Unallocated New Orleans Management cost not included.

** The low incremental cost/barrel for remaining storage capacity development is uncharacteristic due to the partially leached status of the remaining caverns.

Costs to Resume Strategic Petroleum Reserve Development

Question: The fiscal year 1986 proposed moratorium was overturned by Congress in the fiscal year 1985 Supplemental Appropriations which was signed by the President in mid-August of 1985. Subsequently, additional budget authority for construction was included in the fiscal year 1986 Continuing Resolution.

During this hearing last year, the Department estimated that it would require an additional 561 million dollars in construction funds to achieve 750 million barrels of storage capacity.

Subsequently, Congress, in the fiscal year 1986 Continuing Resolution, put SPR construction on a schedule to complete facilities development, including Big Hill, by the end of 1991.

How much is now required to achieve 750 million barrels of storage capacity?

Answer: The Department has not fully reviewed or revised its cost estimates for resuming storage development since the fall of 1985. Using information developed at that time, we would expect that full development of a 750 million-barrel system would increase storage facilities development, operations, and management costs by approximately $400 million over the period fiscal year 1986 through fiscal year 1991 in comparison to maintaining Reserve sites in a standby condition.

Question: If this deferral is overturned by July 1, 1986, what funds would be required in fiscal years 87 through 91, by year, to accomplish this goal?

Answer: The following table provides the current services estimates for the budget authority requirements to continue Strategic Petroleum Reserve development.

| Fiscal Year | Budget Authority (in millions) |
|---|---|
| 1987 | $196 |
| 1988 | $195 |
| 1989 | $203 |
| 1990 | $203 |
| 1991 | $200 |

These estimates assumed continuation of full development as previously scheduled during fiscal year 1986 and would need to be reviewed in light of changed circumstances.

Question: If the deferral is overturned, is it still rational to keep the 1991 completion date as a goal or would it be more economical to move it to 1992?

Answer: Prior to the decision to propose a moratorium in the fiscal year 1987 President's budget, it had been projected that capacity for a 750 million-barrel system would be available for completion of fill by early fiscal year 1991.

Based on the delays which would be incurred by July 1986, we would estimate that the full 750 million barrels could not be filled until late in calendar year 1991, possibly during the first quarter of fiscal year 1992. We are not aware of any economies to be achieved by deliberately stretching out this schedule, though if it is anticipated that oil fill will be delayed, it might make sense to defer some distribution enhancement activities.

### Resumption of SPR Construction Activities

Question: Please submit to the Committee a new baseline document based on the deferral being overturned on July 1, 1986. Within this baseline, please indicate the most economical construction schedule indicating milestones, obligations, and outlays by year.

Answer: A new program baseline document indicating the cost and schedule of resuming SPR development is currently being prepared and will be furnished to the Committee when it is completed.

### Use of Funds in Fiscal Year 1986 and Fiscal Year 1987

Question: The fiscal year 86 Continuing Resolution provided funds for SPR construction "to carry out the provisions of sections 151 through 166 of the Energy Policy and Conservation Act (EPCA)."

According to your justification, the last nine months of fiscal year 1986 and for most of fiscal year 1987, you are proposing to focus activity at the SPR development sites primarily on completing ongoing construction and "on the performance of tasks necessary to accomplish the transition of the sites to a standby mode."

**In reviewing the legislative history of the C.R. and sections 151 through 166 of the EPCA, I find no authority to use these funds solely for** a transition into a standby **mode.**

**How much has been** obligated in fiscal year **1986 so far and how much is planned** to be spent in fiscal years 1986 and 1987 for this **transition** into a standby mode?

Answer: Obligations in fiscal year 1986 from the Strategic Petroleum Reserve Account through January 1986 totalled $37 million. The Department expects to obligate a total of $216.6 million in fiscal year 1986 and $149.9 million in fiscal year 1987 from this account. However, no significant expenditures are planned from within these levels for transition to a standby mode. Nearly all of these obligations are for standby operations and for previously planned distribution enhancements and capital improvements.

Question: What are the contract termination costs involved with the proposed moratorium?

Answer: The Department is not terminating contracts with the proposed moratorium and as such will not incur contract termination costs.

Question: Are there any other non-productive costs associated with the proposed moratorium?

Answer: The Department is not aware of any other non-productive costs associated with the proposed moratorium.

## Construction Obligations

Question: By site and phase, what are the construction costs obligated so far that will not provide any additional storage capacity?

Answer: The Big Hill Phase III site is not available for storage without additional construction. Also, not available without additional construction is the single Phase III cavern (Cavern 101) at the Bayou Choctaw site. Development of this cavern has not proceeded beyond drilling of the cavern wells.

Through January 1986, obligations in connection with the Big Hill site and Phase III at Bayou Choctaw were approximately $168 million and $5 million, respectively.

## Strategic Petroleum Reserve Plan

Question: The Energy Policy and Conservation Act required the Secretary to submit a plan to the Congress that included proposals for the design, construction and storage relating to the Strategic Petroleum Reserve. The plan that was submitted in the 1970's and subsequently approved when Congress authorized the construction of a 750 million barrel facility.

According to your justification, you are indicating that

**519 million barrels** of capacity and 500 **million barrels** of oil are adequate.

If I am reading the law correctly, section 154(e) requires the Secretary to submit an amendment to the Strategic Petroleum Reserve Plan for justification for any changes in proposed volumes and in the storage schedule.

Since Congress extended the EPCA requirements last year and section 154(e) was not amended, is the Secretary planning on submitting an amendment to the plan that would make it consistent with the proposed "indefinite moratorium"?

Answer: The Department does not plan to submit a proposed amendment to the Strategic Petroleum Reserve Plan in conjunction with the moratorium policy. The plan for ultimately implementing a government-owned reserve of 750 million barrels has not changed. The storage schedule has changed, not only as a result of the moratorium but also as a result of actions taken by both the Congress and the current and prior administrations with respect to funding for storage facilities and oil fill. The Department continues to view the annual authorization and appropriation process as the appropriate forum for discussing alternative Strategic Petroleum Reserve development schedules and policies.

Question: Besides budgetary considerations, what specific analysis has the Department performed that supports these capacity and fill levels?

Answer: While no specific studies were undertaken in support of the proposed moratorium policy, the Department has taken into account the substantial protection value of the 500 million-barrel reserve inventory, the low level of U.S. oil imports in relation to those expected when more ambitious schedule targets were established, the high level of spare production capacity worldwide, and the continued diversification of sources of U.S. oil supplies.

Question: Did the decision to propose an indefinite moratorium include the recent Energy Information Administration's analysis that U.S. oil imports would increase from 4.3 million barrels a day in 1985 to 4.6 million barrels a day in 1986.

Answer: The decision to propose a moratorium took into account the Energy Information Administration's projection.

### Strategic Petroleum Reserve Deferral

Question: The Congressional Budget and Impoundment Control Act of 1974 established a procedure of deferrals or rescissions. Clearly, the intent of the law is to establish a set of checks and balances allowing the Executive Branch to propose changes in the previous year's appropriations bills.

A deferral of budget authority is used to delay the expenditure of funds until some future time.

A rescission is used when there is no expectation that appropriated funds will be spent in the future.

This is the second year in a row you have proposed to defer the construction funds for Strategic Petroleum Reserve.

Under the definitions I have just mentioned, isn't this more of a rescission than a deferral?

Answer: The Department has presented to the Congress a plan for the obligation of approximately $150 million from the Strategic Petroleum Reserve Account in fiscal year 1987, to be derived from funds being deferred in fiscal year 1986. The Department intends to obligate these funds after fiscal year 1986; therefore, this is properly classified as a deferral rather than a rescission.

Question: On December 27, 1985, I received a copy of a letter from Assistant Secretary of Energy, Ms. Martha O. Hesse indicating the Department's plans to submit a deferral of funds for SPR storage development. The President submitted that deferral officially on February 5, 1986.

What actions did the Department take relating to the deferral between December 27, 1985 and February 5, 1986, the actual date of the deferral?

Answer: In late December, the Department advised the Strategic Petroleum Reserve field organization to suspend actions under the three pending Big Hill procurements, so as to leave open on a temporary basis the option to continue or cancel the procurements. Solution-mining activities were terminated at Bryan Mound and West Hackberry. Direction was given to complete work on Bayou Choctaw Phase II Cavern 17 but to suspend construction procurements on the Bayou Choctaw Phase III cavern. Seaway Complex distribution enhancements were to proceed but previously planned enhancements at Sun Terminal were to be cancelled. Actions were taken in accordance with this guidance.

In preparation for the filing of the deferral, on January 29, 1986, the Department requested the Strategic Petroleum Reserve field organization to cancel the Big Hill construction procurements and certify the availability of funds for withdrawal. Allotments were then adjusted to withdraw the funds from the field, apportionments were adjusted to withdraw funds from the Department, and the Office of Management and Budget filed the deferral report with the Congress, on February 5, 1986.

### Resumption of SPR Construction Activities

Question: I have a copy of a United States Government Memorandum dated December 30, 1985 signed by Mr. R. D. Furiga, Deputy Assistant Secretary for Petroleum Reserves that states that the standby status should "reflect a technically sound and economical approach to establishing and maintaining an ability to resume such construction activities within a reasonable period of time."

What would be your definition of a "reasonable period of time"?

Answer: It is estimated that construction activities can be resumed at Big Hill within approximately 4 to 6 months. This includes 3 to 4 months for procurement and contract awards and 1 to 2 months for contractor mobilization.

### Budget Impoundment and Control Act of 1974

Question: Section 1013 of the Budget Impoundment and Control Act of 1974 clearly states that the "President shall transmit to the House of Representatives and the Senate a special message" with the specifics relating to deferrals.

Since the President did not propose the deferral until February 5, 1986, what legal authority was used by the Department for those "pre-deferral actions" taken after Ms. Hesse's December 27, 1985 letter?

If the Department sent a letter on December 27, 1985 indicating it's intent, when was the decision actually made to defer the funds?

Answer: The Office of Management and Budget responded in mid-December to the Department's fiscal year 1987 budget submission. Following this action, there was a period of discussions within the Executive Branch relative to Strategic Petroleum Reserve and other fiscal year 1987 budget questions during which some decisions were modified as late as January 25. The Department advised the Office of Management and Budget in December of the status of construction procurement activities for the Strategic Petroleum Reserve, noting that while final decisions were being made it would be appropriate to suspend action on these procurements and notify both the Congress and the bidders involved, in order to avoid potentially prejudiced contractual actions, and to continue to act in good faith. Final direction to cancel the Big Hill procurements was issued to the Strategic Petroleum Reserve field office on January 29, 1986. However, no action has been taken to cancel any existing contract.

### Mexican Oil for the SPR

Question: The financial situation in Mexico is somewhat unstable, to say the least. If the situation became severe and the Administration decided to start filling the Reserve with Mexican oil, how long would it take before the Reserve could accommodate any oil fill?

Answer: Beyond the present fill plan to achieve to the 500 million-barrel total inventory level, the SPR has an additional 9.4 million barrels of existing storage capacity. Of this, approximately 5.6 million barrels is sour storage capacity which could be used for additional Mexican crude oil deliveries and made available for fill on a 15-day notice.

Question: Under that scenario, what fill rate could the Reserve sustain before restrictions occurred?

Answer: The SPR could accommodate fill rates of over 150,000 barrels per day.

### Duration of Moratorium

Question: Your justification indicates that construction will begin again if changes in the oil market so warrant.

What sort of changes would it take before development would restart? An increase in the price of oil?

Answer: The Administration has not established specific criteria for decisions concerning the resumption of Strategic Petroleum Reserve development. The Department expects that this decision would take into account Federal fiscal conditions and the perceived level of risk of petroleum supply disruptions.

### Personnel

Question: This is the second year in a row the Administration has proposed to defer the construction funds. It is also the second year in a row that moratorium has been proposed and SPR manpower subsequently proposed to decrease from 178 FTE's in fiscal year 1985 to 120 FTE's in fiscal year 1987.

What effect have these deferrals had on SPR personnel?

Answer: The Department has relied on normal attrition as the means for conforming Strategic Petroleum Reserve employment levels to plans. It is expected that this process would continue until the levels proposed for fiscal year 1987 are achieved.

### SPR Tests

Question: SPR tests were held in 1984 and 1985. The two primary functions were to train personnel and to test physical facilities. Of the 120 FTEs proposed to remain in 1987 what percentage of them participated in these tests?

Answer: At this time, it is uncertain which exact positions and their respective incumbents will remain in 1987; therefore, it is not practical to quantify the percentage of the proposed FTEs which participated in the tests. However, as in any SPR test or exercise, the 1984 and 1985 tests involved, to the extent required by the test scenario, all managerial, administrative and operational personnel who would normally function during an actual SPR drawdown.

Question: Are additional tests planned as part of the change to "standby readiness"?

Answer: The SPR's plan for "standby readiness" includes continuation of its program of conducting tests to assure drawdown readiness. Four site tests of the physical drawdown capabilities are already scheduled for the remainder of 1986, and additional tests will be planned for 1987 and subsequent years.

### Distribution Enhancements

Question: In response to a question submitted for the record by the Senate Energy Committee, the Department indicated that the SPR is capable of sustaining an initial maximum drawdown rate of 3.3 million barrels per day. Your fiscal year 1987 budget justification states that work will continue in fiscal years 86 and 87 on distribution enhancements that are necessary to permit the drawdown and distribution of the SPR inventory at a rate of approximately 3.1 million barrels per day.

When will work on these distribution enhancements be complete?

Answer: Distribution enhancements which would increase the SPR's distribution capability from 2.3 million barrels per day to approximately 3.1 million barrels per day were initiated in fiscal year 1985. The work will continue through fiscal years 1986 and 1987, with completion projected for mid-fiscal year 1988.

### Drawdown Rate

Question: How long could you maintain the 3.3 million barrel per day drawdown rate?

Answer: The 3.3 million barrel per day drawdown rate is the maximum designed system rate and can be maintained for about the first 90 days of an energy emergency. Following the initial 90 days, drawdown capability gradually declines as individual storage sites and caverns become depleted of their inventory.

Question: Is this drawdown rate dependent on any funding in the fiscal year 1987 budget for distribution enhancements?

Answer: The 3.3 million barrel per day drawdown capability is currently achievable and is dependendent on continued funding only to the extent necessary to maintain the sites in a standby readiness mode. Achieving the 3.1 million barrel per day distribution capability is dependent upon additional funding (approximately $4.4 million) for distribution enhancements to the Capline Complex which is included in the proposed fiscal year 1987 budget.

Question: In your response to the Energy Committee, you used the phrase "initial maximum drawdown rate"?

What are the restrictions involved with this initial drawdown rate?

Answer: The initial maximum drawdown rate is a phrase which refers to the initial 90 days of an energy emergency during which time the SPR is capable of maintaining its current maximum design drawdown rate of 3.3 million barrels per day. Distribution of the crude oil following the completion of all proposed distribution enhancements in fiscal year 1988 would be limited to approximately 3.1 million barrels per day. Therefore, the SPR's actual maximum drawdown rate would exceed the capability to distribute the oil into the commercial distribution systems.

Following the initial 90-day period, the SPR's drawdown capability would begin to gradually decline as individual storage sites and caverns are depleted of their inventory.

## Obligations for Utilities

Question: Planned obligations for utilities in fiscal year 1987 indicate a decrease of nearly 50 percent from the fiscal year 1986 level.

Do the remaining funds only relate to the "standby activities" under the proposed moratorium or do they relate to minimum contractual obligations?

Answer: The $5.8 million planned for obligation for utilities in fiscal year 1987 provide for both the demand charges under the contracts with electric power companies associated with potential demand for electricity for drawdown operations and the estimated energy usage charges for maintaining the SPR sites in a standby condition.

## Distribution Enhancements Implementation

Question: You began work over a year ago on interconnects and docking facilities to replace distribution lines that have been converted into natural gas pipelines. This work was approved in October 1984 in a 42 million dollar reprogramming.

Can you give me a status report on this work?

Answer: The distribution enhancements which were approved for implementation in fiscal year 1985 include a new offsite pipeline and marine terminal connections for the Seaway group of the SPR. More specifically, these enhancements include:

- o Modification to Phillips Petroleum Company's Freeport, Texas, marine terminal to which the SPR's Seaway group is currently connected for oil fill and drawdown;
- o Construction of a new 46-mile, 40-inch pipeline from the SPR's Bryan Mound, Texas, storage site to the ARCO pipeline terminal and docks in Texas City, Texas; and
- o Modification of ARCO's docks in Texas City for outloading SPR crude oil

Engineering design has been completed. Land rights and line pipe materials are in the process of being acquired for the new pipeline to Texas City. Modifications to Phillips' and ARCO's terminals are scheduled to begin during fiscal year 1986. These enhancements are scheduled to be completed in fiscal year 1987.

## Agricultural Barter

Question: The fiscal year 1986 Continuing Resolution included bill language that authorized the Department to exchange surplus agricultural products or crude oil. I note that the Department has requested that this language be dropped in fiscal year 1987.

Is the Department making this request because the proposal is simply unworkable or because the Department is unwilling to work with the proposal?

Answer: The Administration has proposed a moratorium on Strategic Petroleum Reserve fill as a means for avoiding the further investment of real resources in the Reserve at this time. Since agricultural commodities owned by the Commodity Credit Corporation constitute such real resources, the Department does not envision proceeding to implement the barter authorities provided in the fiscal year 1986 Continuing Resolution. It is principally on these grounds that it is suggested that the language in question be deleted.

If decisions were made to resume Strategic Petroleum Reserve oil fill, the Department believes that cash purchase methods would be the most efficient. Agricultural barter transactions are theoretically feasible but quite complicated. They would tend to limit the sources of oil to those nations who seek to obtain agricultural imports, and they limit some U.S. agricultural exports to those nations which have petroleum to supply in exchange. Limitations on competition for both parts of the transaction tend to reduce their efficiency.

Question: This nation is by no means energy independent or secure with 500 million barrels of oil in the ground. In addition, the surplus stocks of the Commodity Credit Corporation is well documented.

Besides changing the language from permissive to restrictive and requiring the Department to make these exchanges, what can be done to make this proposal work?

Answer: As noted earlier, the principal issue is whether or not to maintain Strategic Petroleum Reserve fill at the 500 million-barrel level proposed by the Administration. Since the Department would anticipate the need to reimburse the Department of Agriculture for the use of Commodity Credit Corporation inventories in this manner, the second question is whether barter would be the most efficient means for using appropriations for continuation of the Strategic Petroleum Reserve fill program. The Department believes that it would only be under exceptional circumstances that barter could prove more efficient than cash purchases in the use of Strategic Petroleum Reserve oil acquisition resources.

### SPR Fill Scenarios

Question: Last year, you provided the staff with baseline numbers under several different fill scenarios. Please provide the same information for the second.

(Note: Subcommittee staff is reviewing the requirement for this information)

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## QUESTIONS SUBMITTED BY SENATOR MARK ANDREWS

### Big Hill Development

Question: Besides the indefinite moratorium on further development of the SPR, your FY'87 budget also proposes to suspend further construction on the Big Hill, Tx, site, and you plan to direct your efforts toward closing down the project. According to figures supplied by the DOE, approximately $172 million has been spent or obligated on Big Hill. What is the estimated cost to finish the project?

Answer: The incremental cost (above standby operations) to complete the Big Hill storage facility development is approximately $247 million.

Question: How long would it take to finish the project?

Answer: Assuming a decision to resume development is made before July 1, 1986, the Big Hill storage facility would be completed in approximately 56 months.

Question: What are the estimated costs to shut it down?

Answer: The SPR will incur a cost of approximately $420,000 to place the Big Hill storage site in a standby operational mode. These costs are for temporary site fencing, wellhead cathodic protection, temporary terminations of electrical and instrumentation connections, and site and wellpad seeding.

### Big Hill Electrical Power Contract

Question: I understand that the DOE has an electrical power contract with the Gulf States Utilities and that nearly all of the hookups have been completed. Is this a take-or-pay contract, and how much will it cost to get out of this contract? .... Is this figure included in the estimated costs for shutdown?

Answer: The DOE Gulf States Utilities (GSU) contract for the Big Hill storage site is not a take-or-pay contract and provides for termination, in whole or part, prior to May 1990 without any cancellation charge.

Question: If it is not a take-or-pay contract and if you are going to put the project in a standby mode, what arrangements are you making with the utility company so that power is available when needed?

Answer: The GSU contract has been modified to provide for site power requirements beginning in 1985 with peak power requirements in 1990 through 1994. Standby operations and maintenance activities will begin on the site in fiscal year 1986 which include sixteen 2500-horsepower electrical motors that must each be operated one hour per month.

The GSU contract for electrical power does not contain a specific requirement for prior notification to GSU; however, as a matter of good business, it will require that the company be notified as soon as possible once the decision has been made to resume Big Hill development.

### Architect-Engineering Contracts

Question: It is also my understanding that the DOE has drawn up a transition plan which would cancel architectural engineering contracts effective July'86. This means the cancellations would dismantle a work force with many years expertise in this area. When this project at a later time needs to be completed, how do you expect to recapture that expertise; will it not prolong the readiness target date; and will it not increase the cost of completion?

Answer: DOE is not cancelling the Architect-Engineering (A-E) contract for Big Hill, but allowing the current A-E contract to expire in July 1986 without extension. It is believed that ample A-E firms and expertise are available in the gulf coast region to provide construction inspection services required when Big Hill construction is resumed. Although the procurement of a new A-E contractor will extend the time required to restart the Big Hill development, the only increase to the cost of completion would likely be due to inflation.

### 1990 Energy Needs and Vulnerability

Question: Do you have a projection as to what our energy needs will be by 1990?

Answer: The Department expects to provide to the Congress during March, both the latest version of the National Energy Policy Plan and the Energy Information Administration's Annual Energy Outlook. These documents provide projections of U.S. energy use in 1990.

Question: It concerns me that the proposal of an indefinite moratorium on further development of the SPR is placing this country in a vulnerable energy position for future years and that here is yet another signal to the world that we are receding from our goal of energy independence.

What also bothers me is the breach of faith with private industry when the government chooses to terminate projects and cancel contracts that are half completed. Isn't this false economy, and how can we do this time after time and expect private industry to continue to make commitments with the federal government when we can't assure them that the federal government will follow through on its commitments?

Answer: Though there are no near-term plans to award new construction contracts, existing contracts will be completed. In any case, the need to reduce federal spending has required the Department to carefully establish priorities and focus on the efficient use of resources. While it is regrettable when project plans have to be changed, the Department is ensuring that the highest priority projects proceed with adequate resources.

## QUESTIONS SUBMITTED BY SENATOR J. BENNETT JOHNSTON

### Pemex Contract Termination

Question: Our oil purchase contract with PEMEX requires the U.S. to purchase 50,000 barrels of oil a day, all of which is earmarked for the SPR program. This contract expires in August 1986. The Administration has stated that it intends to stop purchasing oil for SPR once the SPR oil inventory has reached 500 MMB. Under current conditions, we should reach the 500 MMB level by April. Therefore, one could conclude that the Administration does not intend to honor the last four months of its contract with PEMEX. What legal authority do you have to break this contract with the Mexicans?

Answer: At the current contracted PEMEX delivery rate of 50,000 barrels per day, it is anticipated that the SPR inventory will reach 500 million barrels during the latter part of May, leaving only approximately 5 million barrels unacquired under the contract. The DOE contract with PEMEX provides the Department sufficient authority to suspend deliveries without any legal liability.

Question: Due to falling oil prices, Mexico is in need of financial assistance. By placing an indefinite moratorium on the SPR program, we will terminate an oil purchase contract with the Mexicans. At the same time the Administration is talking about increasing aid to and refinancing some of our loans with Mexico.

Under one of the scenarios I just mentioned, we give the Mexicans money and receive oil in return. Under the other scenario, we send them money and receive nothing in return. Would it not be smarter to get some oil in return for the aid we provide?

Answer: All other things being equal, if the United States were to decide to provide a particular amount of assistance to the government of Mexico and if Mexico had underutilized oil production capacity, then it might be desirable to receive oil in return for such assistance rather than make outright cash grants.

## EMERGENCY PREPAREDNESS PROGRAM

## STATEMENT OF GEORGE J. BRADLEY, JR., ACTING ASSISTANT SECRETARY FOR INTERNATIONAL AFFAIRS AND ENERGY EMERGENCIES

### PREPARED STATEMENT

Senator McCLURE. We will turn now to the Emergency Preparedness Program whose fiscal year 1987 request totals $6,044,000, a decrease of $38,000 or five-tenths of 1 percent. This does not take into account the sequestration amount of $258,000.

Testifying on behalf of the Department today is Mr. George J. Bradley, Jr., Acting Assistant Secretary for International Affairs and Energy Emergencies.

If there are others who will be supplying information or testifying, would you introduce them and, pending that, we will enter your full statement into the record and proceed directly to questions.

Mr. BRADLEY. Thank you, Mr. Chairman.

I have with me today Margaret Sibley, who is the Director of Policy and Evaluation, and Mr. Guy Caruso, who is the Director of Energy Emergency Operations.

Senator McCLURE. Thank you very much.

[The statement follows:]

## STATEMENT OF GEORGE J. BRADLEY, JR.

Mr. Chairman and members of the Subcommittee, it is my pleasure to appear before you today in support of the President's budget proposal for FY 1987 for the Office of Energy Emergencies.

The budget for the Office of Energy Emergencies is designed to support the national energy policy goal of fostering an adequate and secure supply of energy at a reasonable cost. This means sufficient energy supplies to meet our short and long-term needs without undue dependence on any insecure or single source of supply. We can ill afford to depend on any single source if interruption of that supply would jeopardize our economy or strategic defense capabilities. The energy emergency preparedness program relies on the development of emergency capabilities to identify and eliminate choke points to avoid disruptions to supply, if possible. It also works to mitigate disruptive impacts if they occur, and to respond to potential national security-related threats. The program further supports the Department's continuation of essential government functions during mobilization or war. It seeks to promote energy stability, energy security, and energy strength, and is based on the following objectives:

- Reduce the Nation's vulnerability to severe energy supply disruptions;
- Ensure adequate fuel for defense needs (including mobilization) and for fulfilling U.S. obligations in treaties and international agreements;
- Maintain the capability to anticipate and assess possible risks and disruptions to the Nation's energy supply network;
- Ensure preparedness to maintain continuity of government and the essential functions of government before, during, and after a national defense emergency.

The program is based upon a fundamental recognition that, even at this time of apparent oversupply and glutted markets, the United States will remain vulnerable to energy supply disruptions for the remainder of this decade and beyond.

### FY 1986 ENERGY EMERGENCIES PROGRAM

During FY 1986, the Office of Energy Emergencies will continue activities that will assess and reduce our energy vulnerabilities, and thereby contribute to the Nation's security. We will be developing measures to prevent, prepare for, and, if necessary, respond to threats to our Nation's energy security. These activities include:

- Assessing the vulnerability of the Nation's energy supplies and resources to terrorism, sabotage, acts by hostile foreign governments, and natural disasters;
- Consolidating Departmental expertise, by fuel type, and establishing a unified system (the Energy Emergency Management System) to improve energy emergency decisionmaking and operations;
- Supporting international energy security programs including the International Energy Agency (IEA) and North Atlantic Treaty Organization (NATO) programs. This includes:

- -- continued recruitment and training of the Joint Operational Staff (JOS) to fulfill functions of the NATO Wartime Oil Organization, development of plans and procedures for operation of the NATO Wartime Oil Organization-West at its wartime relocation site, and providing representation and technical support for participation in NATO civil emergency planning groups; and

- -- participating in IEA follow-on activities to the AST-5 exercise, providing government representation and technical support for participation in the policy and planning activities of the IEA Standing Committee on Emergency Questions (SEQ).

o Conducting technical energy studies of national security issues, including studies in response to National Security Council classified defense energy taskings, and active support of the Federal Resource Assessment System (FRAS);

o Planning and coordination of DOE participation in Federal Emergency Management Agency civilian readiness, continuity of government, and defense-related exercises;

o Planning for implementation of the Defense Production Act to support energy requirements for mobilization or during a national defense emergency;

o Analyzing and evaluating Strategic Petroleum Reserve (SPR) drawdown and distribution options, including the use of minimum price, futures, and options. The SPR test sale after-action report also will be completed.

o Recruiting and training new Executive Manpower Reservists to ensure that an effective National Defense Executive Reserve will be available to augment DOE staff with industrial experts in a national emergency;

o Maintaining an operational capability to respond to emergencies and to carry out continuity of government responsibilities by developing special energy data bases, staff training, participating in readiness exercises, maintaining support facilities, and enhancing electronic mail service and other communications systems.

## FY 1987 EMERGENCY PREPAREDNESS BUDGET REQUEST

The FY 1987 budget request for the Office of Energy Emergencies is $6.04 million, a slight increase over the FY 1986 adjusted appropriation. A summary follows:

($ in thousands)

| | FY 1986 Adjusted Appropriation | FY 1987 Request |
|---|---|---|
| Emergency Planning | $ 555 | $ 450 |
| Emergency Operations | $ 420 | $ 368 |

| | FY 1986 Adjusted Appropriation | FY 1987 Request |
|---|---|---|
| Program Direction | $ 4,775 | $ 5,226 |
| Total Emergency Preparedness Operating Expenses | $ 5,750 | $ 6,044 |

During FY 1987, we will continue to emphasize energy security preparedness activities both internationally and domestically. A variety of energy emergency preparedness tests and exercises will allow us to assess our approach to emergency planning, operations, and policy analysis, while identifying and assessing those areas that require new programs or procedures or priority attention by the Executive and Legislative branches of Government. We will maintain in-house expertise for planning and operations as the most effective strategy for accomplishing energy emergency objectives. This approach maintains a small group of experienced government professionals who can be quickly augmented by other personnel in an energy emergency.

We will examine the impacts of actual or prospective disruptions to energy systems and alternative responses to such disruptions. We will assess national security and other critical energy needs, and how to meet these needs. We will examine alternative ways to mitigate and respond to such threats. These activities will emphasize the identification, analysis, and systematic assessment of threats--both foreign and domestic--to our energy security. This will require close coordination with the private sector and other elements within the Federal Government concerned with domestic and foreign threat assessment.

We will be responsible for developing, implementing, testing, and evaluating Departmental energy emergency preparedness policies, plans, and operations (with the exception of nuclear-related accidents). These activities, in collaboration with other Departmental elements, will include planning to increase U.S. preparedness and reduce our vulnerability, testing of emergency response capabilities, emphasizing public information programs, and providing for effective use of supplies through use of the Strategic Petroleum Reserve.

The program will involve efforts to ensure U.S. capability to meet our international commitments to the IEA, NATO, and other obligations. These efforts will include participation in the IEA Standing Committee on Emergency Questions, allied stock drawdown decisions, and NATO civil emergency preparedness activities. FY 1987 IEA activities will include a comprehensive analytical effort in support of the U.S.-sponsored initiative on stocks, and following up on lessons learned from the Fifth Allocation Systems Test (AST-5) conducted in FY 1986. During FY 1987, we also will participate in a classified NATO exercise (WINTEX-CIMEX 87).

During periodic tests and exercises, we will obtain and interpret information on expected market operations to assess the impact of events on supply availability, the U.S. economy, trade policy, and national security. Such assessments and other analyses also will be prepared for actual emergency situations which may arise, and will be disseminated to states, local governments, and the general public as part of the Federal Government's emergency response. Essential to those efforts will be the maintenance of various automated energy data systems.

The Office will develop, implement, and enhance systems for ensuring the efficient operation of the Department's emergency response policies and programs prior to and during emergencies. We will conduct assessments of the national security and defense implications of energy emergency preparedness and response policies and programs through coordination with other U. S. agencies and participation in classified national defense tests and exercises. This will involve conducting technical studies and analyses in support of National Security Council-mandated classified defense energy taskings, including NSDD-134 and NSDD-188, to reduce U.S. vulnerability to disruptions from terrorist attack, sabotage, or other emergency events. A major objective is to ensure our ability to effectively utilize scarce energy supplies. These assessments will consider use of the Defense Production Act and associated emergency preparedness projects such as the Federal Resource Assessment System (FRAS) in the event of a national defense emergency or military mobilization.

We will continue a major effort begun in FY 1986 to establish a unified management process, the Energy Emergency Management System (EEMS), to coordinate government preparation for, and response to, a wide range of potential energy emergencies. During FY 1987, activities will focus on enhancing the EEMS by developing various scenarios for which the Government should be prepared. We will conduct periodic exercises to test and refine EEMS capabilities and augment associated analytical and decision support systems.

Our experiences gained through major tests and evaluations have contributed greatly to making further improvements in the Department's energy emergency preparedness capabilities. The establishment of an Energy Emergency Policy & Evaluation function within the Energy Emergency Preparedness Program has increased our capability to quickly analyze policy issues, and provides a focus for ongoing energy emergency policy analysis and evaluation. In implementing the FY 1987 program, we will continue to emphasize the maintenance of in-house expertise for energy emergency planning and operations.

## EMERGENCY PLANNING

The FY 1987 budget request for Emergency Planning is $450,000, a decrease of $105,000 from the FY 1986 adjusted appropriation. The request provides contract support needed to:

- Support emergency preparedness exercises, including a classified NATO test. Emergency management processes will be developed and refined to augment in-house staff and provide assistance in performing evaluation and follow-up activities.

- Support classified energy security tasks. These tasks are required by Presidential Directives and require major analytical efforts that involve modeling/simulation of defense energy requirements in the event of mobilization and other defense-related activities.

## EMERGENCY OPERATIONS

The FY 1987 request for Emergency Operations is $368,000, a decrease of $52,000 over the FY 1986 adjusted appropriation. The request provides necessary contract support to:

- Maintain automated information services that involve specialized computer programming and data services; continue electronic mail service to communicate with States, local governments, and the private sector and commercial time-sharing services from industry sources. Our data activities support a wide range of emergency preparedness programs including the various classified continuity of government activities.

## PROGRAM DIRECTION

The FY 1987 request for Program Direction is $5,226,000 and includes salaries, administrative and computer support funding. This is an increase of $451,000 over the FY 1986 adjusted appropriation and is required to support additional administrative overhead including rent and telecommunications costs. The Emergency Preparedness program reimburses the Department's Management & Administration for these specific costs. This budget request would maintain the Emergency Preparedness Program at 71 FTE.

This concludes my formal statement on our FY 1987 budget request. I will be pleased to answer any questions you may have.

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## BIOGRAPHY OF GEORGE J. BRADLEY, JR.

George J. Bradley, Jr., is the Acting Assistant Secretary for International Affairs and Energy Emergencies, U.S. Department of Energy (DOE). Mr. Bradley holds the position of Principal Deputy Assistant Secretary for International Affairs and Energy Emergencies. As Principal Deputy, he is responsible for acting during the Assistant Secretary's absence and day-to-day management of the International Affairs and Energy Emergencies functions of the Department.

Prior to this current appointment, Mr. Bradley served as the Deputy Assistant Secretary for International Affairs. In this capacity, he was responsible for the international aspects of U.S. energy policy including analytical assessments of nuclear nonproliferation and related activities. Also, he served as Principal Deputy and Acting Assistant Secretary for International Affairs from 1982 to 1983.

Before coming to Washington, D.C., Mr. Bradley served as U.S. Department of Energy Representative and Nuclear Counselor in Brussels. In this position, he counselled high-level European energy officials and advised the U.S. Ambassador to the European Community on matters concerning American and European research, and nuclear nonproliferation matters.

Mr. Bradley, who is a 22-year career manager, previously served as Executive Director for Defense Programs in DOE; as Associate Assistant Administrator for National Security, responsible for day-to-day management of the nuclear weapons programs in the Energy Research and Development Administration (ERDA), DOE's predecessor agency; and as Director for Policy Analysis and Field Operation, ERDA, specializing in policy, programming, budget, and organization. Additional assignments included program management in DOE's Military Applications, Chicago Operations Offices and Argonne National Laboratory.

Mr. Bradley's education includes a B.S. from Morningside College in Iowa, an M.A. with honors from the University of South Dakota, and completion of basic requirements for his Ph.D. in International Relations at the University of Maryland. He is fluent in Italian.

Mr. Bradley is married, has two children, and resides in Silver Spring, Maryland.

### REFINERY VULNERABILITIES

Senator McClure. In fiscal years 1985 and 1986 the Emergency Preparedness Program worked on a study of refinery vulnerabilities. When will this study be completed and what action do you expect to take with it after it is done?

Mr. Bradley. The study on refineries will be completed this year, and hopefully the information that we glean from it, we will be able to share that information with industry and factor it into the new program that we have set up to deal with what we consider to be vulnerabilities in our U.S. energy system.

Senator McClure. Let me ask this question a little more precisely. Do you have any idea when that study will be completed? You said this year, but do you have a better estimate?

Mr. Bradley. This summer, sir.

Senator McClure. Summer, which has a 3-months duration. I hope it is the beginning of summer. [Laughter.]

Mr. Bradley. The staff is telling me July.

Senator McClure. Mid-summer.

Mr. Bradley. Yes, sir.

Senator McClure. All right. I would really urge you, if you can, to expedite that a little because the vulnerability of the refineries is also a matter that will be reviewed and is under review with respect to the current problems that confront the oil industry during a period of declining price.

I know that will in some respects make your job a little tougher, but it also makes the results a little more important in terms of policy choices which we might well be making before we have a chance to get that study and analyze its results.

The Senate will be in recess on the Fourth of July, and then, as I recall, in session 3 or 4 weeks before the Senate adjourns again for the Labor Day recess. When we come back from the Labor Day recess we will be occupied with the necessary reconciliation, if I can use that word in a nongeneric sense, of all of the budget and appropriations processes.

If we don't have that study before we return from the July recess, we will have very little opportunity to react to it with respect to policies dealing with the oil industry. They are not precisely the same things, but they are sufficiently well closely related that it seems to me we really would appreciate having that information earlier.

Mr. Bradley. Thank you, Mr. Chairman, and we will do our best to see what we can do.

If I might just comment because we have a number of studies that are underway, as you know, on the product import issue, and I am not at all sure—the one we are doing within the energy emergency area is not really one of the ones that we have identified within the Department to focus on the product import issue, but rather to look at the physical side of the system and see where it may or may not be vulnerable to certain kinds of attack.

Senator McClure. I am sure that that is correct, and if you will look also at the question of whether or not supplies will reach those refineries.

Mr. Bradley. Yes, sir.

Senator McClure. And just as we found out with SPR, before we completed the initial fills, some of the refinery patterns had changed and pipelines had been changed because of the change in refinery operations and we no longer had pipelines sufficient to serve the strategic petroleum reserve.

Mr. Bradley. Yes, sir.

Senator McClure. I would suggest that this period of economic change in the oil industry is going to cause more rapid change than we have seen in the past, and the assumptions you have made about where refineries are open and operating and where pipelines are open and operating may indeed prove to be wrong. That is difficult for you, but it is also difficult for us, and I would urge you to take a look at some of those changes that may take place.

### ALLOCATION SIMULATION TEST NO. 5

Mr. Bradley. All right, sir.

Senator McClure. Last year the United States participated in allocation simulation test No. 5. I know your report is not finished yet, but I would appreciate a comment or two on the results of the test.

Mr. Bradley. The report of the IEA, the International Energy Agency, has not yet been completed. However, in the U.S. Department of Energy, we have completed our report and submitted it to the International Energy Agency.

Our assessment was that the test was extremely useful from the standpoint of providing training to fine-tune the skills of those individuals within government, the private sector and the IEA Secretariat who are part of the system that is implemented in the event of a crisis.

We felt that this kind of exercise was good and useful and we indicated such to the International Energy Agency.

Senator McClure. Did the tests indicate that followup training sessions may be necessary?

Mr. Bradley. The answer to that is yes.

Senator McClure. If these tests are effective, are they scheduled often enough?

Mr. Bradley. I would say that our experience has been that they have been scheduled often enough; yes, sir.

Senator McClure. Well, let me ask this question first. Was AST–5 a better test than AST–4?

Mr. Bradley. I think it was more useful.

Senator McClure. We have learned something and the subsequent test was better?

Mr. Bradley. Right, sir.

Senator McClure. People received training and they got experience as a result of going through the test, and therefore each one builds on the experience of the prior one; isn't that our experience?

Mr. BRADLEY. Right, sir, that is our experience.

Senator McCLURE. It would seem to me that certainly we should give a rather thoughtful consideration to whether or not they are scheduled often enough. I don't know that I can answer that question. Certainly there is a cost-benefit ratio of some kind and I don't know how well you can test that.

I would agree with your assessment that we learn in the process of doing. I remember back at the beginning of these tests when the administration told us that they didn't need any additional authorities. They were going to thus and this and that and the other thing, and they ran the first simulated test and they found out that they couldn't do what they said they were going to do. We have learned something, and each of the subsequent tests have refined our knowledge.

### ANALYSIS OF SPR USE

As part of your program you analyze emergency options focusing on SPR status, assessing SPR requirements and use based on current market conditions, the international situation, and fiscal conditions.

If NPR is sold, the potential customers for SPR oil would presumably increase because the Department of Defense may also be bidding for that oil. If the proposed sale of NPR is approved, will your analysis of SPR status change?

Mr. BRADLEY. Our analysis under the current market circumstances would not.

Senator McCLURE. But the current market circumstances would change if NPR is sold, presumably.

Mr. BRADLEY. I recall a statement that I think you made before about whether or not the SPR is being used as sort of a strategic tool to reduce vulnerability or to be used as a tool to gain control over the economic circumstances, or whether or not it is a replacement supply thing.

I think looking at it from the standpoint of reducing vulnerability or giving one a means of control in the event of a supply cutoff, we could conclude that it wouldn't make much difference because the oil would be available in the marketplace whether the Government owned it or not.

Senator McCLURE. Whether it came from NPR or SPR?

Mr. BRADLEY. Right, sir.

Senator McCLURE. The emergency preparedness program relies heavily on the utilization of task force groupings of professionals in the private sector and in the Government, both inside and outside of the Department. Even before the fiscal year 1987 budget was proposed, we have seen an erosion of funds and people at the Department of Energy.

How has the erosion of people at the Department impacted your utilization of these task force groupings?

Mr. BRADLEY. Well, it really hasn't—there are capable people within the Department of Energy to carry out the task required under the organizational structure that we have for emergencies.

Senator McClure. I guess I should anticipate that indeed you would say that. Does that mean we have been overfunding you before?

Mr. Bradley. Well, sir, I mean in the last 3 years, or 2 years the funding is about level.

Senator McClure. And included in the 1987 at level funding?

Mr. Bradley. Yes, sir.

Senator McClure. And you don't see any need for additional personnel?

Mr. Bradley. No, sir, and especially given the fact that we would envision using, to some degree, some of the people in the private sector under some of the schemes that we are talking about.

Senator McClure. It is true, isn't it, that your request to OMB included a request for additional people?

Mr. Bradley. No, sir, we didn't, not on the EE side. On the IA side we did.

Senator McClure. Well, I had understood otherwise.

Would you please for the record supplement that answer as to what your request to OMB was for the numbers of people to be utilized in this area as contrasted with the pass-back from OMB if there is any change.

[The information follows:]

### Fiscal Year 1987 Full-time Equivalent Request

The full-time equivalent [FTE] request for the Emergency Preparedness Program to OMB was 71 FTE and $6,459,000. This request was approved at 71 FTE's and $6,044,000. The difference in funds was to support additional administrative overhead and a higher estimate for EIA computer usage.

## IMPACTS OF ENERGY INDUSTRY CHANGES

Senator McClure. Second, have you seen any reduction in the availability of people from the private sector as a result of economic conditions in the energy industry today?

Mr. Bradley. The total availability, no. I would say, however, there clearly has been an effect, and I think Government has had to work harder to convince private companies that they ought to continue to participate in this game.

Senator McClure. Well, certainly it is no secret. I think that the energy industry is going through some very harsh readjustments, part of which were occasioned by takeover attempts last year that greatly increased debt and greatly decreased available capital, and that caused some internal structure changes within various oil companies.

When you add to that the dramatic decline in the price of oil and the responses which oil companies are making to that changed market condition, there are some very large changes in the offing.

One oil company yesterday announced a 30-percent reduction in every department of their company. Another, over the weekend, announced a 10-percent reduction in all divisions of the company.

It would seem to me that that must inevitably impact upon the availability of personnel which we are counting upon with respect to emergency mobilization.

Are you going to take a look at that? Well, let me put it in a different way. Would you take a look at that and provide for the committee an estimate of what that may mean in terms of the emergency preparedness operations of the Department of Energy?

Mr. BRADLEY. I would be happy to, sir.

[The information follows:]

### IMPACT OF RECENT OIL INDUSTRY TRENDS ON DOE EMERGENCY PREPAREDNESS ACTIVITIES

A large increase in debt has been incurred by companies which took over oil companies, and by oil companies which successfully fought off take-over attempts. The oil industry periodically experiences economic expansion and contraction. Surplus capacity and lower oil prices appear to cause contraction at this time. This period of contraction could have a much greater impact on the industry than in the past because of this large increase in debt. Some companies might not survive; however, the infrastructure to supply the U.S. market will continue to exist, even if ownership changes.

Personnel reductions usually occur as newly merged companies consolidate duplicate operations. This should increase efficiencies and improve the remaining company's ability to withstand the economic contraction. Personnel reductions also occur in other companies which fought off take-over attempts and those taking on added debt to make takeover less attractive. These staff reductions are intended to improve efficiency to offset the added debt burden. In all cases, the business of supplying U.S. oil markets continues, even though some key people may have changed.

The take-over attempts and large reductions in personnel have two offsetting impacts on the U.S. oil business. Personnel reductions lower operating costs to make the industry more competitive in world markets, but the greater debt burden increases costs and reduces funds available for oil projects.

DOE energy emergency preparedness planning activities have not been impaired by recent industry personnel reductions, although we note that there has been some reluctance on the part of companies to dedicate the same level of resources to these activities as they have in the past. However, even with more limited industry involvement, the DOE can maintain its energy emergency preparedness programs.

The Department still plans to seek the assistance of industry in future energy or mobilization emergencies. DOE is continuing its efforts to recruit industry personnel for the National Defense Executive Reserves and the NATO Wartime Oil Organization. In addition, DOE will continue to identify industry contacts that can provide informal assistance in connection with various types of energy emergencies.

### ADDITIONAL COMMITTEE QUESTIONS

Senator MCCLURE. Thank you very much for your testimony.

I think we will submit some other questions for response in writing, and other members of the committee may also do so and have until the close of business tomorrow to submit such questions for response in writing.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

### Emergency Preparedness

Question: Your fiscal year 1986 accomplishments indicate that you will be continuing "major work on defense energy needs to support various scenarios.... This work is necessary to ensure that defense-related resource needs can be met in a national defense emergency." The Department is proposing to sell the Naval Petroleum Reserve because the Defense Department can get oil elsewhere easier. How was your report coordinated with the proposal to sell NPR? Even though it is not complete, and without divulging any classified information, can you give me an idea on what the results of your study will indicate with respect to the sale of NPR? Good idea? Bad idea?

Answer: The proposal to sell the Government's ownership interests in the Naval Petroleum Reserves (NPR) No. 1 and 3 is part of a broad concept for converting Federal assets into private ownership and, in the process, improving the efficiency with which they are operated, and providing an infusion of cash into the Federal Treasury, thus reducing near-term requirements for additional Federal borrowing.

The production from NPR-1 has been declining for approximately five years, and by 1988 will be only about 96,000 barrels per day. (Present production is about 130,000 barrels per day.) As the field's ability to produce continues to decline, the strategic value of NPR-1 will diminish regardless of its status as a reserve or producing oil field. Consequently, energy security is not a major consideration in the determination to sell the Reserves.

The primary mechanism for guaranteeing that the Department of Defense (DOD) receives sufficient fuels during a shortage is the Defense Production Act (DPA), which allows the Government to assign available supplies to itself based upon its perceived defense needs. The DOD requires refined products and normally is unconcerned with the source of the crude oil from which those products were refined. At present, NPR provides only one percent of the DOD peacetime petroleum requirements. If the entire Government share of production were taken by DOD, it would account for only 20 percent of peacetime requirements. In the unlikely event that "access to oil" does become a problem for DOD, they have the ability to use DPA authorities. Furthermore, beginning in December 1984, Congress granted the Secretary of Defense authority to waive procurement regulations in order to expedite the purchase of petroleum products.

Our study deals with the volumetric adequacy of petroleum to satisfy national security needs and, if adequate, the ability of refining capacity serving U.S. markets to turn out the desired mix of products. In this context, volumetric adequacy is used to refer to market availability. Once in the marketplace, as NPR oil would be regardless of ownership, transportation assumptions are made which replicate normal patterns of distribution.

We have examined the impacts of supply losses much larger than NPR production and have not found energy availability to be an impediment to national security objectives.

### Strategic Petroleum Reserve Test Sale

Question: Under the provisions of the Energy Policy and Conservation Act amendments of 1985, a SPR test sale of 1.1 million barrels of oil was required. What was your role in this sale and how have you changed your program as a result of what was learned?

Answer: The Office of Energy Emergencies (EE) conducted an independent review of the Strategic Petroleum Reserve (SPR) test sale, to provide a detailed explanation of test sale activities and to present suggestions, where appropriate, for improvements in SPR sales and distribution procedures. The EE review team closely monitored all aspects of the test sale. This involved on-site monitoring of significant activities, supplemented by extensive review of documentation and interviews with key personnel at the Project Management office in New Orleans and at the Program Office in Washington, D.C. The review team is presenting its findings in a report, which is scheduled for completion in April 1986. This report will meet DOE's requirement, under the Energy Policy and Conservation Amendments Act of 1985 (Public Law 99-58), to provide Congress with a detailed explanation of test sale activities.

As a result of the review process, we have identified a number of areas in which there may be opportunity for modifying SPR procedures to improve their effectiveness. We anticipate that the Department will conduct some follow-on activities, to further pursue these findings, and that EE will participate in some of these activities. For example, we intend to

- explore ways of enhancing our capabilities to distribute the Notice of Sale and communicate with bidders.

- further simplify the bidding process through minor changes in bid document format.

- further improve payment procedures, such as the development of a more efficient method for verifying the transfer of funds from purchasers' accounts to the Treasury.

- explore the benefits of conducting a simulation exercise of delivery scheduling procedures under maximum drawdown rates to provide a more rigorous test of scheduling activities.

### Emergency Executive Reserve Program

Question: A provision in the extension of the Defense Production Act authorized the creation of the Emergency Executive Reserve Program. How are you proceeding with the development and maintenance of this program?

Answer: Significant progress has been achieved over the past year in developing and maintaining the Emergency Executive Reserve Program. Before proceeding with intensive recruiting, the Department directed its efforts toward program delineation and clarification. Therefore, the Department's approach has been to define program elements, policy, regional alignments and required positions tailored to the needs of each of the three executive reserve units -- electric power, solid fuels, and petroleum and natural gas -- and to develop program initiatives within the context of an executive reserve that would only be used during a national security emergency.

This approach has resulted in increased industry understanding of and support for the program. For example:

o The North American Electric Reliability Council (NERC) unanimously adopted a formal resolution at its July 1985 meeting endorsing the DOE's Emergency Electric Power Executive Reserve

(EEPER) program and asking the electric power industry to give EEPER its full support.

This NERC support has enabled appointed EEPER Regional Directors to go forward with recruitment for specific regional positions.

- Oil industry executives are more amenable to lending informal support. Accordingly, the Department has been able to develop a new Company Contact System to give DOE predesignated points of contact for oil and natural gas companies and help the Department solve emergency problems. 32 oil companies and 17 natural gas companies participate in this system. Six of these company contacts are also official members of the Emergency Petroleum and Gas Executive Reserve (EPGER).

- Membership has increased from 80 to 102 members: EEPER - 40; EPGER - 30; ESFER - 32.

- Other program initiatives included:

    - Upgrading security clearances to top secret for selected reservists to enable them to participate in classified exercises.

    - Conducting a mini-exercise with EEPER Steering Committee members to determine training needs for new recruits.

    - Participating in a FEMA biennial training conference as a follow-up to a previously-held DOE sponsored conference for its executive reservists.

    - Initiating a new DIALCOM pilot project with selected reservists to train them on electronic mail system use and exchange of information with DOE.

- New program initiatives include:

    - Conducting 1986 orientation sessions for all new members as initial step in a 3-year training program.

    - Intensifying recruiting, including outreach with regional industry and trade associations.

    - Defining how the National Defense Executive Reservists and DOE regions will work together in national security emergencies.

    - Developing industry-specific data and information sources to use in emergencies.

## Energy Emergency Policy and Evaluation Function

Question: In fiscal year 1986, you established the Energy Emergency Policy and Evaluation function within the Emergency Preparedness Program. Can you describe the purpose of this new function?

Answer: The role of the Office of Energy Emergency Policy and Evaluation (EEPE) is to analyze overall energy emergency policy in order to: (a) ensure the adequacy of the Nation's response capability, (b) ensure the consistency of the components of this capability, and (c) identify problems requiring attention or issues requiring resolution. In carrying out this mission, the Office reviews work within the Office of Energy Emergencies to insure consistency and compatibility with Administration policy and legislative mandates. It also evaluates the adequacy of existing energy emergency policies with respect to legislative requirements and Administration guidance and policy statements, and conducts exploratory analysis of new policy initiatives or policy issues.

Question: What duties will this function perform that were not previously being performed by the Emergency Preparedness Program?

Answer: EEPE was established to more effectively manage and coordinate overall policy development and evaluation. The better feedback obtained through closer coordination of planning and operations assures more reliable evaluation of vulnerability risks, more effective assessment of resource requirements, and improved analysis and development of response strategies. The Emergency Preparedness Program is thus enhanced by an improved ability to identify and incorporate significant "lessons learned," including those from the various preparedness exercises, into the Department's energy emergencies policy initiatives, response strategies, and procedures.

## Budget Impact on DOE Task Forces

Question: The Emergency Preparedness Program relies heavily on the utilization of task force groupings of professionals in the private sector, and in the government, both inside and outside of the Department. Even before the fiscal year 1987 budget was proposed, we have seen an erosion of funds and people at the Department of Energy. Can you see a severe impact to these task force groupings in the fiscal year 1987 Department of Energy budget request?

Answer: The fiscal year 1987 budget request for the Office of Emergency Preparedness is for 71 FTE's, which is unchanged from the FY 1986 request. We have not had, nor do we anticipate any difficulty arising from the FY 1987 budget request which would adversely impact our forming task groupings of professionals within the Department who would be called upon to participate in a number of emergency preparedness activities. We are not aware of any budgetary impacts which would hinder recruitment of private sector persons to participate in our National Defense Executive Reserve programs or other activities.

## Coordination with NATO Allies

Question: One of the responsibilities of the Emergency Preparedness Program is to analyze the effective level of SPR fill as well as to manage NATO Wartime Oil Organization preparedness activities. What has been the reaction, if any, from our NATO allies on either the SPR moratorium or on the proposal to sell the Naval Petroleum Reserve?

Answer: At its current level of fill, the SPR represents substantial protection against a disruption in the supply of foreign crude oil, equivalent to approximately 120 days of current net U.S. oil imports. Moreover, the current level of protection, measured as equivalent days of net imports, represents approximately the same expected from a 750 million barrel reserve when it was originally approved. A 750 million barrel reserve remains our goal, and we expect to evaluate the moratorium decision based on our continuing, careful review of the oil market and federal fiscal conditions. The Administration's proposal to privatize the NPRs does not affect overall U.S. oil supplies, but rather the ownership of a small fraction of U.S. crude oil production capacity.

The United States consults on an ongoing basis with our NATO allies in various civil emergency planning groups, principally the Petroleum Planning Committee (PPC). As appropriate, we would expect to brief, and to receive any reactions from, the PPC on any program changes including the SPR and NPRs.

Question: To your knowledge, have any of our allies changed their oil preparedness activities as drastically as we have?

Answer: The Administration's emergency preparedness program continues to emphasize the value of stocks in responding to oil supply interruptions. In addition, at the Ministerial Meeting of the member countries of the International Energy Agency (IEA), the U.S. and its IEA allies again agreed in principle to the holding of sufficient strategic stocks as a strong deterrent against, and mitigation for, an oil supply disruption.

### Emergency Operations Operating Expense Account

Question: Your budget reflects a 346 thousand dollar, or 45 percent, decrease from fiscal year 1985 to 1986 in the Emergency Operations Operating Expense account. This is an important function because of the specialized computer analysis provided by the Energy Information Agency. Was this decrease due to budgetary constraints or does it simply signify development of data systems?

Answer: Each year when we develop our budget estimates, we carefully examine the need for contract support services in accordance with our programmatic emphasis. The decrease in the Emergency Operations line reflects a shift from more expensive developmental efforts to less expensive maintenance efforts. We feel that the budget request is sufficient to maintain contract support for the specialized computer analyses which are discussed in our request.

### IEA Oil Stocks

Question: Each member country of the International Energy Agency has made commitments with respect to the development of strategic stocks. These commitments have been fulfilled to varying degrees. Has the SPR moratorium had an effect on the oil stocks of the IEA member countries?

Answer: The Administration has consistently supported the development and maintenance of adequate strategic reserves in other major industrialized consumer nations, particularly our IEA partners. We believe that further progress in building oil stocks can be made.

In July 1985, IEA Ministers agreed that adequate stock levels must be maintained, even in the current slack oil market. Some IEA members have pointed to Administration efforts to suspend filling the SPR; however, we are confident that the current level of SPR fill represents substantial protection for the U.S. and, indirectly, for our allies. We expect other IEA members to help us share the burden of holding substantial stocks.

Question: Would you provide for the record the most current information as to the reserve activities carried on by participating governments and the current level of that participation?

Answer: A classified table containing information on commercial and government-controlled stocks on land in OECD countries is being provided for the Committee files. The recent IEA report on minimum operating requirements (MOR) illustrates that in an emergency it is the level of accessible stocks above MOR that provides energy security. Of total stocks, the overall level of accessible stocks in IEA countries is about 202 million tons, consisting of 96 million tons of government stocks, 16 million tons of stockholding entity stocks and 90 million tons of accessible company stocks. Thus, accessible stocks account for just over half of the total stocks on land in IEA countries.

## SUBCOMMITTEE RECESS

Senator McClure. Thank you.

Mr. Bradley. Thank you, sir.

Senator McClure. The subcommittee will stand in recess until 2 p.m., March 4, 1986, at which time we will review the fiscal year 1987 budget estimates for the Pennsylvania Avenue Development Corporation, the Commission on Fine Arts, and the National Gallery of Art.

[Whereupon, at 3:20 p.m., Tuesday, February 25, the subcommittee was recessed, to reconvene at 2 p.m., Tuesday, March 4.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1987

TUESDAY, MARCH 4, 1986

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, DC.*

The subcommittee met at 2 p.m., in room SD-138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senator McClure.

## PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

### STATEMENT OF HENRY A. BERLINER, JR., CHAIRMAN

**ACCOMPANIED BY:**
**M.J. BRODIE, EXECUTIVE DIRECTOR**
**ALEXANDER K. MILIN, FINANCIAL MANAGER**

### PREPARED STATEMENT

Senator MCCLURE. Good afternoon. This is the time scheduled to review the fiscal year 1987 budget estimates for the Pennsylvania Avenue Development Corporation [PADC], the Commission of Fine Arts, and the National Gallery of Art.

We will begin with PADC.

The fiscal year 1987 budget request for the Pennsylvania Avenue Development Corporation totals $6,211,000, an increase of $666,000 over fiscal year 1986 appropriations to date. Of the amount appropriated for the current year, $239,000 is sequestered.

Mr. Berliner, we again welcome you before the Committee. Your complete opening statement will be included in the record at this point. If you would introduce those who may assist you, we will proceed to the questions.

[The statement follows:]

### STATEMENT OF HENRY A. BERLINER, JR.

I am Henry A. Berliner, Jr., Chairman of the Pennsylvania Avenue Development Corporation. I am here today to testify in support of the Corporation's recently submitted fiscal year 1987 budget request, along with PADC's Executive Director M.J. Brodie, and Alexander Milin, Financial Manager. I would also like to briefly report to you on the progress of the Pennsylvania Avenue Revitalization Program in the past year and our expectations for the future.

The Corporation requests $6,211,000 in budget authority for fiscal year 1987, consisting of $3,774,000 for public development purposes and $2,437,000 for salaries and administrative expenses. Additional borrowing authority for expected acquisition of land in fiscal year 1987 is not being requested, because of the sufficiency of sale and lease revenues and carryover borrowing authority for this purpose.

The fiscal year 1987 salaries and expenses request of $2,437,000 will fund the payroll and administrative expenses of 37 employees, on an FTE basis. Two-thirds of this budget is needed for direct and indirect salary costs, and the balance for office rent, supplies, equipment, and various administrative services.

In fiscal year 1987, funding for a full staff level of 37 employees is needed to respond to a workload which will include negotiating the sale or lease of PADC-owned properties; reviewing developer proposals for consistency with the plan and appropriateness of design for the site; conducting financial and market feasibility studies for mixed-use projects (especially those including housing and historic preservation); managing the ongoing construction of public improvements projects and contracting for new projects; relocating businesses displaced because of impending development on Corporation sites; preparing and reviewing contracts; scheduling public activities in the parks, plazas, and other open spaces in the project area; and assisting developers in structuring affirmative action programs for their projects.

The public development component of the overall budget request is $3,774,000, and provides funding for both public improvements and a cost reimbursement for an earlier property purchase. Of the $3,774,000 sum, $3,024,000 is requested for public improvements and would be used to fabricate and install pedestrian-level light fixtures, along Pennsylvania Avenue, as well as pay for necessary construction management contracts. These lighting fixtures are a very important element of the lighting scheme approved for Pennsylvania Avenue. The other lighting elements (the high-mast poles and decorative lights at curbside) are in place. The balance of the public development request, $750,000, would be used to reimburse the land acquisition fund for the economic loss incurred when PADC purchased the former Lansburgh's Department Store Building and evolved the development restrictions necessary to meet the plan's goals; redevelopment is expected to occur in fiscal year 1987.

The funding requested for salaries and expenses and public development will provide the Corporation with the minimum resources it needs to maintain steady progress toward its target completion date of 1992.

The emphasis of the Corporation in fiscal year 1987 and in future years of the program will be the creation of a minimum of 1,200 residential dwelling units in a mixed-use neighborhood in the Market Square area. Progress toward that goal was made this past year with the completion of the design and various agreements between PADC and Avenue Associates, developers for the Market Square site where 225 housing units are expected. The start of construction of this multiuse office, retail, and residential project is scheduled for 1986. Previously committed for approximately 200 housing units is the second phase of the Westminster project; construction of the office portion is nearly complete, while the residential and hotel component is to begin construction during late 1986. Adding to this total of residential units will be the 225 the Corporation seeks to attract when it offers the Lansburgh's site for development in 1986. The board and staff are committed to making this most important objective of the plan a reality, and in so doing create a community along Pennsylvania Avenue that will be an essential and enduring component of the Nation's "Main Street."

In terms of progress realized since we last appeared before the subcommittee, the continuing redevelopment of the Willard Hotel bears special mention. When this magnificant historic property opens for business this year, I know the public will be pleased by the developer's sensitivity in restoring the key elements of the interior to turn-of-the-century elegance. This past year's improvement to the Willard's exterior and construction of the architecturally sympathetic office addition is already a source of pride for all who have been involved. Other noteworthy progress included substantial construction of the Cadillac Fairview office and retail project on square 348; the beginning of major renovation of the Pennsylvania Building on square 291; continuing construction progress of the Gallery Row project on square 457, including the re-erection of historic facades once on this site; the startup of construction of the southern and northern portions of the park at Market Square, with the now fully funded U.S. Navy Memorial Foundation as PADC's partner; and the dedication of a replica of a statute of Chief Justice John Marshall, completing John Marshall Park.

Opportunities for office, hotel, retail, and housing development are continuing to bring developers to the Corporation's offices for discussions. One of our special roles in fiscal year 1987 will not only be to encourage such expressions of interest, but also to work closely with developers in a creative private-public partnership that will meet all of the plan's objectives. Your approval of the proposed budget for fiscal year 1987 is critical for the Corporation to have the staff resources necessary to foster such mixed-use developments and to provide the public improvements that are the vital complement to private investment on Pennsylvania Avenue.

## INTRODUCTION OF ASSOCIATES

Mr. BERLINER. Thank you very much, Mr. Chairman. As always, it is a pleasure to be before your committee.

I have with me our Executive Director, Mr. J. Brodie, formerly director of housing and community development for the city of Baltimore, and now part of our staff as our Executive Director; and also Al Milin, who has been our liaison to the Congress for these many years on all matters relating to budget and appropriations.

I think I will just go to the questions, Mr. Chairman, if that is your pleasure.

## SEQUESTERED REAL ESTATE INCOME

Senator MCCLURE. Very good. Thank you.

In addition to the appropriated funds, the Corporation receives lease payments and income from the sale of property from several developers. PADC uses these funds to continue land acquisition activity on the Avenue and to repay to the Treasury amounts that have been borrowed. According to the justification, $1,075,000 of receipts are sequestered in fiscal year 1986.

The subcommittee has originally been advised that funds in receipt accounts could be sequestered for fiscal year 1986 but that those funds would then become available for expenditure in future years. More recently, we have been advised that those receipts are treated just like appropriated funds. Thus, once sequestered, the money is gone forever.

What is your understanding with respect to the sequestration of the Corporation's receipts?

Mr. BERLINER. Mr. Chairman, we have had some discussion with OMB on this and we do not believe that they themselves understand exactly what is meant by sequestration. But from our point of view, to sequester these revenues aside (a) has no positive net effect on the Treasury or on a budget imbalance, and (b) will tend to lengthen our program beyond the time that the Congress has allotted to us.

Let me be more specific. With respect to the effect on the Treasury, if the Congress by failing to appropriate the moneys that we have asked for precludes our ability to repay the Treasury on a timely basis, obviously this reduces the income available to the Treasury for purposes of applying it to other expenditures. So the net effect on the Treasury is not helpful by precluding us from paying back the Treasury the moneys we owe them.

Conversely, by not allowing us to pay back the Treasury in accordance with the schedule that has previously been determined we will incur additional interest expenses today, perhaps an additional 10 percent annually, which will add to the total cost of the PADC effort. In addition to that, we estimate that if we were to take all of the OMB recommendations from now through 1991 we would have to extend the life of the Corporation an additional 3 years beyond the 1992 expiration date.

Senator McClure. What portion of the receipts are used for debt service?

Mr. Berliner. Approximately 50 percent of all receipts are used for debt service.

Senator McClure. In sequestering these receipts, are we then actually reducing revenues to the Treasury in the current year?

Mr. Berliner. In our judgment we are, Mr. Chairman.

Senator McClure. Any amounts that the Corporation would have otherwise repaid this year will continue to be charged interest. Have you any idea of the additional obligation incurred by the Corporation by the sequestration of the receipts?

Mr. Berliner. It will add approximately 10 percent at today's interest rates to the total amount on an annual basis that we will owe to the Treasury.

Senator McClure. The sequestration is based on estimates of receipts and there is no ability to readjust the sequestered amount based on actual receipts. How accurate are your estimates of $25 million in receipts?

Mr. Berliner. In the past, Mr. Chairman, based on our historical experience, we have been very accurate in being able to predict. That is because we are dealing in a marketplace where there are comparable sales and lease-back arrangements, and consequently our appraisers in the Corporation and our outside consultants are able to develop economic models for virtually everything we do. We have been right on the markup to this time in estimating revenues and expenditures.

Senator McClure. Adjustments in estimates per se are not any additional problem?

Mr. Berliner. No, sir.

### DEFERRED BORROWING AUTHORITY

Senator McClure. Along with the sequestration of receipts, $10,947,000 of borrowing authority under the land acquisition and development fund is recommended for deferral for the entire fiscal year. Will the combined effects of the deferral and sequestration of receipts allow sufficient funds for land acquisition activities during the current year?

Mr. Berliner. Mr. Chairman, specifically we cannot tell you that if you were to postpone these amounts that we can point to a project in the future and say we cannot complete it. I can only tell that, based on our past experience, one of the most influential factors in inducing developers to come to Pennsylvania Avenue is the knowledge that there are funds on deposit with the Corporation or appropriated which they can rely on both for land acquisition as well as for public development. If a developer in a competition such as we are now doing for Lansburgh's, which has as its primary focus residential living units, perceives that we don't have adequate funds to undertake the parks, the street lighting, the sidewalks to accompany his development prospectus, then my judgment is he will go elsewhere to seek his development opportunity. That is subjective, but it is based upon our conversations with a number of developers who have come to Pennsylvania Avenue.

## INDIANA AVENUE PROJECT

Senator McClure. The Indiana Avenue/Plaza project has received appropriations of $4,250,000 in fiscal years 1984 and 1985. Of this amount, $900,000 of the road work funds were reprogrammed for work at Market Square. Last year's justification stated that the actual construction of the Plaza would be completed in fiscal year 1986. The work is now scheduled to continue into the next fiscal year. What are the reasons for the delay in the project?

Mr. Berliner. There is no delay as far as the completion schedule for the Indiana roadway and improvements themselves. However, with OMB's knowledge and acquiescence, we reprogrammed part of those funds. So it isn't that the project is not on schedule, but in order to fulfill the project we will have to have restored moneys or reprogram them from other sources to meet the funding requirements.

Senator McClure. Do I understand then that the $900,000 that was reprogrammed was actually appropriated for future expenditure in future fiscal years originally?

Mr. Berliner. It was appropriated for public development, and under the reprogramming authority we are allowed, with OMB's acquiescence, to reprogram to other public development projects, which we did into Market Square.

Senator McClure. I understand that, but my understanding of your justification was that you needed the $900,000, that $900,000 would be spent, and the project would be completed in the fiscal year. Now you are telling me that there is no delay. Well, if it isn't completed in the fiscal year, isn't that a delay?

Mr. Berliner. It would be, Mr. Chairman, but I believe that our representation to the committee was that it would be reprogrammed, that it would be completed on a date certain, and I believe we are still on schedule with that date.

Senator McClure. The Plaza will be completed in 1986?

Mr. Berliner. With the moneys that we have asked for, the $900,000. We have not lost any time in an effort to complete the project on schedule. Of course, without the $900,000 we would not be able to complete that project.

If I can add, Mr. Chairman, the delay in fact has really been less than 3 months, and we are able to make that delay up. The delay has been since December, and we do not feel that that will be material in allowing us to complete the project.

Senator McCLURE. Am I not correct that last year your justification said the Plaza was to be completed in 1986, and now your justification says it will be begun in 1986 but not completed until 1987?

Mr. BERLINER. That is correct, Mr. Chairman. The delay at most is 3 months.

Senator McCLURE. But you told me there was no delay.

Mr. BERLINER. Mr. Chairman, you are absolutely correct and I apologize if I misled you.

Senator McCLURE. What is the reason for the delay?

Mr. BERLINER. That the money has been reprogrammed for Market Square.

Senator McCLURE. It was simply a lack of money to complete it in 1986?

Mr. BERLINER. That is correct.

Senator McCLURE. Do you anticipate that the Plaza construction can be accomplished within the amounts currently available?

Mr. BERLINER. Yes, Mr. Chairman.

Senator McCLURE. What additional amount will be required for the roadway work and when is that scheduled to begin?

Mr. BERLINER. That is the $900,000, Mr. Chairman, and consequently, if that money is available, it will begin immediately.

Senator McCLURE. So if that money were available, that amount would start it now, complete on schedule in 1987, and be enough to complete it?

Mr. BERLINER. That is correct, Mr. Chairman.

Senator McCLURE. Is there a specific request for that amount of money?

### REPROGRAMMING OF PUBLIC DEVELOPMENT FUNDS

Mr. BERLINER. There is, Mr. Chairman. In addition, of course, we have discussed with committee staff the restoration of the $2.5 million that was originally in our budget which has been reprogrammed for Market Square. We have discussed that with OMB, and they realize that there is a problem there for the future, but we have not gotten OMB's acquiescence at this time to recommend the restoration of the $2.5 million that was used for Market Square.

Senator McCLURE. Let me refer you to page 11 of your justification. In the middle of the page it says "Fiscal Year 1987 Request." The first paragraph under that head talks about your public improvements budget requests for $3,024,000 and identified $1,774,000 for one project and $1,250,000 for essential construction, management and engineering contracts. It doesn't appear to me that either one of those is the roadway work in connection with the Plaza. Am I correct?

Mr. Berliner. That is correct, Mr. Chairman, but the $900,000 is not included in that portion of the request.

Senator McClure. Where does it show in your request?

Mr. Berliner. The $900,000 is not reflected in a special item, but in our testimony before you today we are telling you that the $900,000 is required to be restored.

Senator McClure. But you said it was included in your request. I don't see it in your request. You tell me it is there. Where is it?

Mr. Berliner. It was in a reprogramming letter, Mr. Chairman, that we issued to this committee where we made the request to allow a reprogramming which would allow the $900,000 to be restored. It is not part of our budget request. We have an obligation to advise the committee as well as OMB when we intend to reprogram the moneys.

Senator McClure. Last year, in requesting the reprogramming of funds to the Market Square project, the letter, which was dated November 15, 1985, stated that $600,000 reprogrammed from historic preservation and $1 million reprogrammed from relocation assistance would be requested for a reappropriation in fiscal year 1987. I think that is the letter to which you made reference.

Mr. Berliner. That is correct.

Senator McClure. There is no such request.

Mr. Berliner. That is right, Mr. Chairman.

Senator McClure. How are we to give you money if you don't request it?

Mr. Berliner. Mr. Chairman, as you well know, we have to work with the Office of Management and Budget.

Senator McClure. They told you you could not request it?

Mr. Berliner. Because of the budget hearings and because of the timing of the preparation of our budget, and also for a third reason, that is, we were only recently able to quantify the requirements for a couple of these projects, OMB felt there was not sufficient time for them to examine our budget request so that they would go along with our representation before this committee that we ought to have the money restored in this budget.

Senator McClure. I don't know what your relationship with OMB is, and I guess that is what I am really trying to find out. Did they tell you you could not do it or that you could do it, or did they just say we can't figure out what you ought to do, so go ahead and do it?

Mr. Berliner. I think of the three alternatives the third is the closest to the truth. They felt that there was not sufficient time for them to evaluate our request for reprogramming. We have had a change of budget officers in our liaison with OMB. Our relationship is quite good. We are not being critical. However, they were not prepared in the time allotted to them and with the newly assigned liaison budget person to examine our request, although we believe it is a proper one, and recommend it for this year.

Mr. Chairman, we will be glad to provide an additional letter request to the committee to make that justification de novo before the committee.

Senator McClure. If you would do that, it would help us.

Mr. Berliner. Mr. Chairman, we would appreciate that opportunity.

Senator McClure. Did OMB approve your reprogramming request?

Mr. Berliner. Yes, Mr. Chairman. They have to approve that.

Senator McClure. That letter was approved by them prior to your submission to us?

Mr. Berliner. That is essentially correct, Mr. Chairman, although a sentence indicating that we would be requesting a restoration of the $2.5 million reprogrammed in the fiscal year 1987 budget was added after OMB's approval of the letter.

### LANSBURGH'S

Senator McClure. $750,000 is requested for program support. This is the first time in a number of years that there has been a request made under this category.

In 1978 PADC paid $4,800,000 for the Lansburgh site and adjoining properties. The development of this site will be limited by certain restrictions to meet historic preservation requirements and by air and light requirements associated with the development of housing units on the site.

Because of these limitations, the Corporation estimates that they will lose $750,000 on the deal. Is it proposed that this amount be appropriated and that such amount then be transferred to the land acquisition and development fund to repay funds borrowed from the Treasury?

Mr. Berliner. That is correct, Mr. Chairman.

Senator McClure. Has this site been offered for development?

Mr. Berliner. It is being offered right now, Mr. Chairman. The prospectus has been prepared. The Board will approve the prospectus itself. There are indications of interest from developers but we are not prepared to say exactly how many. But it will be out before the end of spring.

Senator McClure. You have already stated that you anticipate losing $750,000. You made that statement prior to offering parcels for bid. Doesn't that in effect set the base of the bid?

Mr. Berliner. No, Mr. Chairman, because it is a competitive situation.

Senator McClure. You do not think that that is going to condition how much they may bid?

Mr. Berliner. Really, there is not too much mystical about this. Every developer knows what square foot price within a given range they should pay for land that has a restricted use, and consequently, when we set this figure of $750,000 it is based upon our market assessment with our consultants as to what this land could bring when zoned in the restricted way that our jurisdiction requires.

So I think the answer to the question is, if we were not to make this adjustment, the developer certainly would, and we are trying to be as accurate as we can in informing the Congress that a down zoning of use in accordance with Congress' approved plan for this jurisdiction will result in this kind of a loss over the acquisition.

Senator McClure. Is it the loss over acquisition or loss over expected market value?

Mr. Berliner. It is loss over the acquisition, in carrying charges that the Corporation's has incurred.

Senator McClure. It appears that this $750,000 request will not really buy us anything next year. It would reduce the outstanding debt of the Corporation to the Treasury, but is that the best use that can be made of this amount of money?

Mr. Berliner. Once again, Mr. Chairman, my answer is very similar to what it was before. It is revenue neutral, if I can use that term, as far as the Treasury is concerned, and it has the benefit of telling developers and of telling the U.S. Government exactly where it stands with respect to the Corporation and its expenditures.

We do not think it serves any useful purpose to pretend that the money is not needed this year but it will be needed 2 years from now plus the additional inflation and other costs to be borne. We think the more proper and prudent approach is to take the expenditure now, repay the Treasury and keep ourselves on a businesslike basis.

### HOUSING IN THE EASTERN SECTOR

Senator McClure. The provision of housing in the eastern sector has been subject to a great deal of debate, but it now appears certain that housing will indeed be built. Do you anticipate that the Corporation will be requesting additional program support funds in the future to help subsidize housing development in the eastern sector?

Mr. Berliner. No; Mr. Chairman.

Senator McClure. 1992 is the year in which the redevelopment of the Avenue is projected to be completed. You indicated a moment ago that if you have certain reductions it may extend that time. Other than the statements you have already made, how confident are you that the goal can be met?

Mr. Berliner. I am fully confident, Mr. Chairman. The public development portions and all the parks are virtually complete. A couple parks still remain to be completed. We are very confident we will be able to complete everything within our jurisdiction by 1992, if not earlier.

Senator McClure. Would you supply for us an outline of the remaining work to be done, the year in which it should be accomplished, and the anticipated requirements for Federal support between now and completion?

Mr. Berliner. We will be happy to do so, Mr. Chairman.

[Clerk's note.—The information was provided for the subcommittee files.]

### ADDITIONAL COMMITTEE QUESTIONS

Senator McClure. Thank you very much for your testimony. There are some additional questions which we would ask that you answer in writing for the record.

Mr. BERLINER. We will be happy to do so.

Senator McCLURE. Thank you.

Mr. BERLINER. Thank you once again for the opportunity to appear before you, Senator.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

### SALARIES AND EXPENSES

*Question.* Page 3 of the justification notes that the largest reduction resulting from the Deficit Control Act was made in the allowance for full-time permanent positions. Have vacancies allowed you to achieve savings in this area?

Answer. Yes; because PADC experienced unusually high staff turnover at the end of fiscal year 1985, we began the year with six vacancies, of which three have been filled in the first quarter of fiscal year 1986. We cannot afford to fill the other three positions, given the reductions under the Deficit Control Act. We expect to hold these three remaining permanent positions vacant through the balance of this fiscal year.

*Question.* A 33-percent increase is requested for positions other than full-time permanent. Does this reflect a permanent shift toward part-time positions?

Answer. At present we plan to maintain the past balance between full-time permanent and nonpermanent employees at the Corporation. Were it not for the reduction brought about by the Deficit Control Act, we would be employing a greater number of nonpermanent position employees (including part-time employees), so that there would not be a 33-percent increase, as noted, between fiscal year 1986 and fiscal year 1987's budget.

*Question.* An increase of $25,000 is requested for equipment. Is this a one-time expenditure to upgrade computer equipment, or do you anticipate continuing expenditures of similar magnitude.

Answer. This is an atypical expenditure, for which we do not anticipate a recurring need. We must be able to replace aging equipment whose increasingly frequent malfunction disrupts our normal day-to-day operations.

### INDIANA ROADWAY

*Question.* Is that timeframe established by the other work to be done in the area or by budget constraints?

Answer. Both budget constraints and other work affect the Indiana Plaza roadway work. Funding for the construction of this project was initially appropriated in the fiscal year 1981 budget, but the delay in the start-up of two development projects then planned for squares 459 and 460 caused this public improvements work to be delayed. In the current year, when PADC is otherwise ready to begin both the plaza's construction and reconstruction of the roadway, a cost increase on the Market Square project for which $900,000 has been reprogrammed from the roadway's funding has caused start-up problems.

### LANSBURGH'S

*Question.* While loss is anticipated on this property, there are other properties on which the Corporation has or will make a profit—such as Market Square. What is the anticipated profit that will be realized on the Market Square development?

Answer. PADC anticipates a $4.7 million profit, provided settlement on the sale of the property occurs this spring, as planned.

*Question.* To what use will you put these funds?

Answer. We will use some of the sale proceeds from Market Square to retire U.S. Treasury debt. Some of the proceeds may be used to acquire sites for future development, where PADC has been approached by developers for site assembly assistance.

*Question.* For the record, please list all the developments on which profit is anticipated and the estimated amount of profit.

Answer. We strive to structure sale and lease transactions which, at the minimum, result in a full recovery of all costs associated with PADC's purchasing and holding of real estate. Several of the development projects PADC has made possible through land acquisition involvement will produce sizable profits: (1) the Market Square development project on squares 408 and 432 will result in a $4.7 million profit, provided settlement occurs this spring as planned; (2) the Willard Hotel/office addition on square 225; and (3) the quadrangle office, retail and Marriott Hotel project on square 254. Since these latter two projects are on land leased to the developers for a 99-year period, and the return to PADC is based in part upon PADC's participation in future project profits, it is difficult to accurately project the size of the profit to be realized. However, the Federal Government could easily earn $5 million in profits on each project over the term of the leases.

## COMMISSION OF FINE ARTS

**STATEMENT OF J. CARTER BROWN, CHAIRMAN**

**ACCOMPANIED BY:**
**CHARLES H. ATHERTON, SECRETARY**
**DONALD B. MYER, ASSISTANT SECRETARY**
**DAVID J. McCULLOUGH, BUDGET ANALYST**

### PREPARED STATEMENT

Senator McClure. We will now turn to the Commission of Fine Arts.

The fiscal year 1987 budget request for the Commission of Fine Arts totals $420,000, an increase of $40,000 above fiscal year 1986 appropriations to date.

It is a pleasure to once again have you before our committee, Mr. Brown.

Your complete opening statement will be included in the record at this point. If you would introduce your associates, we will proceed to the questions.

[The statement follows:]

## STATEMENT OF J. CARTER BROWN

The Commission of Fine Arts is requesting a total of $420 thousand dollars for FY 1987. I am happy to say that almost the entire $40 thousand dollar increase over FY 1986 funds enacted to date will be for the publishing of a long standing project on Sixteenth Street Architecture. This work has been ready to go for the last several years but until now we lacked administration backing. I hope at long last that we will get to complete this unfinished business. The remaining funds will go for staff operations and members' travel expenses at what was the originally appropriated level for this fiscal year. Even with the restoration of the recent cutbacks due to the Deficit Control Act of 1985, our operations will be extremely tight, and they may have to be further curtailed if our costs for services rise, as we expect they will.

At this time, Mr. Chairman, I would like to review some of the Commission's activities since the last time we appeared before your committee. It has been an extremely busy year for us, and so in the interest of time, I will not go into details. But if there is something you wish to know more about, we will be happy to respond in the fullest.

### WASHINGTON MONUMENT

Of all the projects brought before us, I believe those of the National Park Service have to rank with the most important. For example, this past year has seen us considering plans for changes to the Washington Monument grounds and lighting, and for a major new park on the Georgetown waterfront. We are in the midst of our review of the Monument plans, but I can say at this point that both the lighting and the network of paths will be greatly improved. Still to be worked out are facilities for the convenience of visitors to the monument, and within the next several months this question should be settled. We will also be looking at new lighting mockups in the next several weeks that are designed to eliminate the shadows of the flags and greatly improve the overall quality of illumination.

### GEORGETOWN WATERFRONT PARK

With our approval of the Rosewood Hotel design and the Mayor's transfer of District land to the Park Service, we look forward soon to seeing signs of progress on the Georgetown Waterfront Park. Some preliminary landscaping steps have already begun on the parcel between 31st Street and Wisconsin Avenue next to the Potomac, and once the hotel is underway, landscaping should proceed along both banks of Rock Creek, and the lock on the end of the so-called "mole" at the mouth of the Creek should be restored. While we have reservations about the floating restaurant next to Key Bridge, the remainder of the plan promises a beautiful addition to our waterfront park system, and the Commission fervently hopes the Park Service will be given the necessary funds to push this project to completion.

### ARLINGTON CEMETERY VISITORS CENTER

Projects on installations administered by the military services also command much of our attention, with some of the most important areas of Washington included within their domain. None, of course, is more important to the American people than Arlington National Cemetery, where plans for a new visitors facility and parking structure have concerned us for the last several months. The new reception area will be housed, at last, in a permanent structure of classic design and materials suitable to the dignity of this important national shrine. We have been deeply concerned about the appearance of a large parking structure next to it which will accommodate all the many cars and buses that bring visitors, but this is currently under study.

## PENTAGON AREA MASTER PLAN

One of the more provocative subjects to come before the Commission was a preliminary study on adding some three million square feet of additional office space in and around the Pentagon. Frankly, Mr. Chairman, we are skeptical of the feasibility of such a proposition, simply from the planning point of view of concentrating so many people and cars in one place. Whether or not it can be done and still operate efficiently remains to be seen. From an architectural and landscape point of view, it may be possible to add space by tucking it into the embankment of the Shirley Highway corridor, or to replace the existing expanses of surface parking with new space largely below grade, a scheme which might actually improve the appearance of the area.

## THE SOUTH-EAST FEDERAL CENTER

More promising to us are plans for a major federal office complex on the west end of the Washington Navy Yard. It would provide for some six million square feet of new office space, but it would be done in such a way as to blend in with existing city streets and transform what is now a largely empty expanse of land into a vital new employment center. As such it would complement the longstanding but dormant plans for a redeveloped South Capitol Street Corridor, a concept that not only provides for office but residential and retail uses as well. The Commission feels that large-scale office needs for the military would be better met in the South-East Center, or across the river on the old Anacostia and Bolling Air Force sites, rather than crowded around other existing facilities.

## NATIONAL DEFENSE UNIVERSITY-FT. MCNAIR

A similar question can be raised about the proposed plans for a major new structure for Fort McNair to replace the library at the old War College, now the National Defense University. Here the circumstances are different in that the new building, though very large, is primarily an extension of highly specialized existing functions and would not work as well in another location, even if nearby. Our primary concern was to see that the building fit in well with neighboring structures and not detract from the plan of Fort McNair, certainly one of the most historic military facilities in the country. After extensive study and revisions requested by the Commission, I believe we can say our objectives have been largely achieved, and that the new library building will be an important and suitable addition to the campus.

## PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

### Market Square Development

The Commission continues to be very much involved in the development of Pennsylvania Avenue; we have looked at a number of projects that when completed should essentially wind up the work along the Avenue. Chief among these are the Market Square Development and the Navy Memorial, both across the street from our National Archives. The Market Square project is a very exciting development, and if all proceeds as currently approved, this major link with the Avenue and the important Smithsonian museums to the north on Eighth Street will have been realized. Architecturally it takes a page from the design of the Federal Triangle and will for the first time provide a major visual connection between the north and south sides of the Avenue, a condition that has long confounded planners. This new office, retail and residential complex should provide a real stimulus to growth in the area. With the proper degree of control it should develop into a unique art corridor for the city along this axis.

### The Navy Memorial

The centerpiece of Market Square is the Navy Memorial, and while the major design was discussed previously with you, there are a number of pieces of sculpture that already have been or will be looked at by the Commission, such as the figure of the so-called Lone Sailor, and the bas reliefs depicting the history of the Navy around the central plaza. With its planned usage as a major stage for the military bands, this memorial should make a great contribution to life along the Avenue, as well as provide for a fitting commemoration of the Navy.

### The Canadian Chancery

The eastern anchor for the north side of the Avenue will be the new structure for the Canadian Chancery. We are very pleased with the design. It is a structure that has a strong individual identity suitable to the headquarters of another government, and yet at the same time is highly respectful of the context around it, especially, Mr. Chairman, the east and west buildings of the National Gallery which it faces. We are happy with the design and look forward to our new neighbors joining us in one of the most important spots along the Avenue.

## UNION STATION REDEVELOPMENT

Another quasi-federal-private corporation we advise is that for the redevelopment of Union Station. Almost all the changes to this building are on the interior and require only a limited involvement with the Commission. However, the plans we have seen are very encouraging and much of the damage done during its earlier remodeling will be rectified. The exterior will also be restored, and only minor alterations will be allowed within the arcade in order to make some of this space available for a small, special outdoor dining area. We feel this is a very modest concession to the new use and that it will enhance the character of the building.

## THE NATIONAL ARBORETUM

There are a number of other federal agencies that brought projects to us for advice and comment over the past year. One that will have special interest to a committee of Congress is the re-erection of the columns that originally were a part of the East Front of the Capitol. They have lain in storage for nearly thirty years since the extension of the facade, but thanks to the generosity of certain private individuals, they will be reassembled on a knoll overlooking the central green at the Arboretum. It is a beautiful site and a most appropriate spot to have these historic remnants of the Capitol remain on permanent display.

## INTERNATIONAL CENTER

The State Department submitted designs for a new chancery for the government of Qatar, which will occupy a site on the west end of the International Center facing Reno Road. In addition they submitted extensive landscape plans for a major new addition to the Center north of Van Ness Street, behind the campus of the University of the District of Columbia. At the same time, the final phase of the new Intelstat Headquarters is nearing completion on the eastern edge of the Center bordering Connecticut Avenue.

## THE HOLOCAUST MEMORIAL

As you know, Mr. Chairman, ground was broken this past October for a major new museum and memorial authorized by Congress to commemorate the Holocaust. The Commission has met with the design team and has given approval to the general concept of the design including the height, setback, and the overall organization of the massing. We still have some outstanding questions on the treatment of the principal facades and landscaping and any works of art that will be incorporated into the design. I will be happy to keep you up to date as details evolve.

## MEDALS AND COINS

The final federal agency whose submissions we have reviewed is the U. S. Mint. As Chairman I was designated the task of reviewing the designs for the new commemorative series of coins issued on behalf of the restoration efforts now underway at Ellis Island and the Statue of Liberty. The coins have met with an enthusiastic response from collectors, and within the last two weeks ceremonies were held at Treasury Headquarters turning over some twenty-four million dollars that will go to the preservation of these two important national monuments. We hope there will be more.

The Commission has also been working with the Mint on designs for two national medals; one to honor the Veterans of the Vietnam War, and the other to recognize the contributions of Mrs. Lyndon Johnson to beautify America.

## THE DISTRICT OF COLUMBIA GOVERNMENT

### Georgetown and Shipstead-Luce Submissions

The Commission has advised on various public works projects such as alterations to Key Bridge and new sculpture for the Theodore Roosevelt Bridge, but by far the greatest amount of time has been spent on reviewing private construction in the historic district of Georgetown, and the areas around the Capitol, the White House and along both sides of Rock Creek Park which are controlled by the Shipstead-Luce Act. While many of these submissions are minor in nature, many are not, and together they occupy a great deal of the Commission's time. This past year alone has seen over four hundred individual projects submitted for review, a number of which had to be considered on several occasions over a lengthy period. Fortunately, we have an advisory board of three architects who go over all the Georgetown projects for us and are an enormous help. Like members of the Commission, they too serve without any financial compensation. When their decisions are appealed, however, by either the applicants themselves or by others who would oppose various projects, the Commission must review the case in detail. Also, projects of special significance receive individual attention from the Commission. The Georgetown area is unique, being the sole instance outside a national park in which the appearance of an entire community is reviewed by a federal agency. The Shipstead area is also unique to Washington, having been specifically created to protect the public interests in our federal parks and buildings from encroachment by private development. On some other occasion when we have more time, Mr. Chairman, we would like to discuss with you ways in which the latter of these two acts could be strengthened. We are concerned that federal interests should continue to be protected from private development, and that we have the proper authority and means to do so. I am sure you are aware of the controversial nature of the Techworld Development, a project that was, unfortunately, outside the regular channels of our purview; but one, nevertheless, the Commission has openly opposed.

## CONGRESSIONAL LEGISLATION

Finally, Mr. Chairman, I want to mention the Commission's role in advising on legislative matters. Mostly, these take the form of proposals for various memorials. I believe there are thirteen such pieces of legislation currently pending before this Congress, ranging in subject from individuals of historic significance to military units and heroes to major conflicts such as the Korean War. I wish we could accommodate them all, but available space is running out fast, and we shall have to take a much tougher stance on the use of our parkland for this purpose. By saying this now, I hope some of our concern can be shared by the Congress, and that the tide of memorial proposals can be checked so that only the most deserving subjects can be memorialized in Washington.

That concludes our statement, Mr. Chairman. I would be happy now to answer any of the Committee's questions.

## INTRODUCTION OF ASSOCIATES

Mr. BROWN. I have here Mr. Charles Atherton, the Secretary of the Commission, Mr. Don Myer, the Assistant Secretary, and David McCullough, Budget Analyst from the Department of the Interior.

Senator MCCLURE. $38,000 is requested to finance the cost of printing research material on Sixteenth Street architecture. How many copies will be printed?

Mr. ATHERTON. We are requesting, on the basis of the estimate the Government Printing Office gave us, 500 copies for ourself, but in the past we have always felt that they would ride our request with additional copies for sale to the general public. The last book we printed was 3,500 copies.

Senator MCCLURE. Is that what the $38,000 is anticipating?

Mr. ATHERTON. The 500 copies would cost $38,000. If we are to recover the entire cost of that printing we will have to have GPO ride our requisition with an additional several thousand copies in order to make up the entire $38,000, or else the book would be exorbitantly expensive.

Senator MCCLURE. What is the planned distributional division between complimentary copies and those that will be sold?

Mr. ATHERTON. We have about 300 or 400 copies that we distribute to the college libraries, schools of architecture, to certain libraries within the District of Columbia, the Library of Congress, and the remainder we keep available for sale to the general public. At our office the number of books that we sell is very minimal; the majority of the books we give away to the sources that I just named.

Senator MCCLURE. The justification notes that in the past proceeds from the sale of books has been returned to the Treasury. Is that also the plan for the disposition of the receipts from this volume?

Mr. ATHERTON. That is true, sir.

Senator MCCLURE. Do you have any suggestions as to a more appropriate use of the receipts?

Mr. ATHERTON. Well, we might keep the Commission operating at the current speed, which has been demanding recently. But that is not the way our funds go. They go back to the Treasury.

Senator MCCLURE. Have you any estimate of the receipts? You say you recover the cost. Is $38,000 your estimate of receipts, or do you have some other estimate?

Mr. ATHERTON. The basis of our current request would be that we would recover fully the $38,000.

Senator MCCLURE. But you do not expect to recover any more than that?

Mr. ATHERTON. No, certainly not.

Senator MCCLURE. Of all the Federal advisory commissions, the Commission of Fine Arts is the only one to my knowledge where the members serve without compensation other than reimbursement for travel expenses and $75 per day for expenses. Is this by law or by custom?

Mr. BROWN. That is a fascinating question, Mr. Chairman. It is certainly by custom in all the years I have been here.

Mr. ATHERTON. It is by law also. The law specifically states that the members will only be compensated for their expenses of traveling to and from the meetings of the Commission, and that is as much as it has ever covered.

Senator MCCLURE. Do you have any trouble getting Commissioners to serve under that basis?

Mr. BROWN. We don't do the inviting, Mr. Chairman. That is done by the White House.

Senator MCCLURE. Do you think there should be or can be an argument made that they should receive some additional compensation?

Mr. BROWN. It might help in the case of professionals. What we have noticed is that the White House's appointments have tended toward people who have been helpful in various ways, primarily financial. I think for the first time in the history of the Commission we don't have a single practicing architect among our body. I don't know the history of whether people would turn it down for the lack of compensation, but I would think when you get busy architects and successful ones, and ask them to give up days from their practice, that some measure of compensation for that time would help attract the kind of minds that this city deserves.

Senator MCCLURE. A slight increase in travel is requested for new presidential appointees from differing geographic areas. How many new appointees are there and where are they from?

Mr. BROWN. The whole Commission is new except for myself, Mr. Chairman. We do have one member from California, which does help bring the costs up. Previously we have had a member from Chicago and a member from Florida and the others closer. But we have worked out the costs, and the geographic spread in this Commission is slightly more expensive than the previous Commission.

Senator MCCLURE. For the past couple of years the Commission has not filled the staff position for an architect due to budget constraints. How are the responsibilities which were handled by the architect being managed now?

Mr. ATHERTON. We have just had to double up on the staff, Mr. Chairman. The architectural job that that position covered has been assumed by our architectural historian, and since the book has been delayed over the last couple of years that historian has really been filling in as an architect on our staff full time.

Senator MCCLURE. Has the effectiveness of staff recommendations been compromised by this vacancy?

Mr. ATHERTON. I would think not, sir.

Mr. BROWN. We are very pleased with our staff. They work very hard. I think we have been able to tide over, but I think that further shrinkage or furloughing would materially compromise our ability to rely on their good judgment and expertise.

Senator McCLURE. On an annual basis what would be the cost to fill this position?

Mr. ATHERTON. I think it is about $30,000, Mr. Chairman.

Senator McCLURE. The Commission recently denied a request by the Park Service for approval of a design to place comfort stations and food facilities in the vicinity of the Washington Monument. Is there a possibility that an agreement can be reached in this area, or are the monument grounds out of bounds for this type of development?

Mr. BROWN. Our decision at the last meeting was based on a specific proposal, Mr. Chairman. I know some of the new members seemed to have a feeling that people who visit the monument should be limited only to people who never need comfort. This does not happen to be my view.

Senator McCLURE. I gathered that.

Mr. BROWN. The proposal that we had from the Park Service put the facility right in the way of two major vistas and axes of the city, one down 15th Street between the White House and the Treasury, looking across the Mall, and one along Madison Drive. It was very carefully located, probably for convenience sake, that it be handy to these two axes, but visually we felt this would be unfortunate.

I do not think the Commission has made any ruling about a general policy as to whether some proper solution could not eventually be found.

Senator McCLURE. I thought I could detect in your comments not only the fact that you may not necessarily agree with what they had to say but that you might also feel that there should be an openness to a suggestion of an appropriate kind. Do I read you correctly?

Mr. BROWN. You do, Mr. Chairman.

Senator McCLURE. The Commission has also passed a resolution disapproving the Techworld project as currently designed. Although this building is outside the jurisdiction of the Commission, we understand that the District government requested your advice. Now that that advice has been rendered, do you anticipate that the District will seek modification of the project?

Mr. BROWN. This is now out of our hands, Mr. Chairman, but I understand there is even litigation going forward, and so it is all very much in the balance.

Senator McCLURE. The Pennsylvania Avenue Development Corporation is scheduled to complete its work in 1992. A successor agency will have to be identified to continue to collect the payments made by the developers and to repay the Treasury. In addition, there will be a continuing requirement for oversight and enforcement of the various restrictions which have been placed on development to ensure that the benefits of the redevelopment are not lost. Have you any recommendations as to the appropriate agency or agencies to undertake safeguarding the aesthetic improvements that have been made on the avenue?

Mr. BROWN. I suppose the possibility does remain open that some kind of caretaker commission could be appointed with that specific responsibility. From the aesthetic point of view, I believe the city and the Federal Government can take some comfort in the fact that the Pennsylvania Avenue area falls within the Shipstead-Luce Act and therefore any modifications that are visible from public space do require Fine Arts Commission review. Beyond that, in terms of accepting the moneys and keeping a close interest in the orderly development of that very important street, I would think that some specific body charged with that would be highly appropriate.

Senator McCLURE. Today's Post carried an article on the proposed expansion of the Pentagon which would provide an additional 3 million square feet of office space. Approximately 18,500 employees would be housed in this new complex.

Mr. Brown, your opening statement indicates that the Commission is skeptical of the feasibility of such a proposition. Funds are, however, requested in the military construction budget to begin demolition of the south parking lot in anticipation of construction. What do you see as a realistic timeframe for a determination as to the appropriateness of this proposal?

Mr. BROWN. We are happy to react to this anytime it is brought before the Commission. It has not yet been. They did ask informally if the members of the Commission wanted to go over to an architect's office and see some of the options that they had been studying, but it was stressed that this was very premature and they simply wanted to get a feel for what options might be worth further exploration. So as far as the Commission is concerned this is all highly preliminary and we have not had a chance to review it in an open session of the Commission.

Senator McCLURE. Do you have any estimate of how much time it would take you to review such a request when received?

Mr. BROWN. We would be happy to act as soon as it is submitted.

Senator McCLURE. But how long is it going to take you?

Mr. BROWN. Do you mean in the meeting itself?

Senator McCLURE. How long is it going to take you to look at that proposal and react? Are you going to look at it in a meeting and say yes or no? Are you going to study it for a while? Are you going to study it for 1 month or 6 months?

Mr. BROWN. I think if the staff had some warning so that they could do some preliminary study, our next step would be to have a site inspection, which we often do the day before a Commission meeting, and weigh some of the options visually and take a look at the sight lines. Then it seems to me there is nothing that would militate against making a decision at that meeting, at least on a preliminary basis, as to which general approach was the one that we felt would be the most productive.

Senator McCLURE. The reason I ask that is, certainly a building that houses 18,500 employees is going to have some impact, modest or marginal, or more. I guess many of us wonder how much planning it takes and how that is integrated and what you view as the Commission's responsibility in regard to such a proposal.

Mr. BROWN. Well, very grave. Historically the Commission was perhaps more responsible than any other agency in the final location of the Pentagon. You may remember that the original proposal was to put it right on axis with the Mall, which would have really been visible and an eyesore. The Commission reacted so strongly against this, with White House support of the day, that the location was shifted to its present place.

Senator McCLURE. Certainly there are great implications to the demolition of a parking lot, the construction of a building where parking did exist, the additional transportation requirements for 18,500 employees to be housed there. What are the parameters of the responsibility of the Commission with respect to such a proposal? Do you look at such things as transportation patterns?

Mr. BROWN. We feel that the National Capital Planning Commission was set up to be the long-range urban planning body for the U.S. Government, and we try to avoid duplication where possible. Our mandate from the legislation, as far as we can see, is on the visual impact on the city and on the monumental core.

Senator McCLURE. Six million square feet of office space are planned for a major Federal office complex on the west end of the Washington Navy Yard. To your knowledge have tenants been identified for this space?

Mr. BROWN. I am not sure that it is developed that far.

Senator McCLURE. May we assume from your opening statement that the Commission feels that the navy yard site would be preferable for the Department of Defense expansion rather than the Pentagon?

Mr. BROWN. I think there is some staff feeling on that. I don't think that the Commission itself has really had a chance to review that as an option.

Senator McCLURE. Thank you very much for your testimony, Mr. Brown.

Mr. BROWN. Thank you, Mr. Chairman.

# NATIONAL GALLERY OF ART

## STATEMENT OF J. CARTER BROWN, DIRECTOR

**ACCOMPANIED BY:**
**JOSEPH G. ENGLISH, ADMINISTRATOR**
**PHILIP C. JESSUP, JR., SECRETARY-GENERAL COUNSEL**
**DANIEL HERRICK, TREASURER**
**WILLIAM H. ROACHE, BUDGET OFFICER**

### PREPARED STATEMENT

Senator McCLURE. We will now turn to the budget request for the National Gallery of Art.

The fiscal year 1987 budget request for the National Gallery of Art totals $37,007,000, an increase of $176,000 over fiscal year 1986 appropriations to date. Of the amount provided for fiscal year 1986, $1,584,000 is sequestered.

Mr. Brown, your complete opening statement will be placed in the record at this point. If you would then introduce those with you at the witness table, we will proceed to the questions.

[The statement follows:]

### STATEMENT OF J. CARTER BROWN

The National Gallery's Federal funds budget request for fiscal year 1987 is $37,007,000—a net increase of $176,000 over the 1986 budget of $36,831,000. Comprising the total increases are: personnel compensation and benefits—$370,000; rents, communications, and utilities—$394,000; Special Exhibitions Program—$220,000; materials, supplies, services, travel, and transportation—$162,000; printing and reproduction—$10,000. The increases are offset by the following: equipment decrease—($100,000) and repair, restoration, and renovation decrease—($880,000). The budget includes 823 full-time permanent positions with an OMB limitation of 791 FTE (full-time equivalent) employment.

Attendance at the National Gallery has been at a high level in recent years. In fiscal year 1985 the attendance was 5,079,858. Attendance for the first 4 months of the current fiscal year has already reached 2.9 million. The primary reason for this upsurge in the number of visitors has been attributable to the enthusiasm of the public for our special exhibitions programs and continued interest in the East Building as well as renewed interest in the West Building with the opening of new galleries in the West Building that were opened with the popular Impressionism exhibit.

Our fiscal year 1987 Federal funds budget request includes $2.4 million for the repair, restoration, and renovation of buildings approved by OMB and included in the President's budget for fiscal 1987.

The 1987 Federal funds budget request also includes $2,420,000 for our Special Exhibitions Program.

In January 1983 and January 1986, we were able to realize the long-standing plan of making available to the public additional exhibition space in the West Building, made possible by the remodeling of the ground floor of the West Building with a combination of donated and appropriated funds, and the remodeling of the northeast corner of the main level of the West Building with appropriated funds. The net effect of this new construction was to increase our ability to show more of our permanent collection. In addition, we were able to fill the new spaces with borrowed exhibitions of art from this country and abroad.

Thirty-two percent ($370,000) of the total increases is associated with personnel compensation. This increase provides: $263,000 for mandatory within-grade and wage-board step increases; $186,000 for increase of 7 FTE employment work-years for full-time permanent positions; $250,000 decrease for the elimination of funding for 12 FTE employment work-years and additional overtime for extended hours and crowd control for Treasure Houses of Britain exhibition; $41,000 to restore reduction of base pay in fiscal year 1986 budget for function C protection; $63,000 for annualization of five new conservation positions; and $67,000 to recalculate pay for 2,080 hours.

Thirty-four percent ($394,000) of the total increases is required for the increased costs of rents, communications, and utilities. This amount consists of $302,000 to cover the increased costs of steam and electricity for all structures; and $92,000 to cover the increase of telephone and telegraph costs; $22,000 to cover the increased costs of postage; $5,000 to cover the increased costs of structural rental rates; and offset by a $27,000 decrease in word processor rental.

Nineteen percent ($220,000) of the total increases is requested in support of the gallery's Special Exhibition Program. This is to help catch up with inflation costs of exhibitions over the last several years, which has been rising at a faster rate than prices generally.

Fourteen percent ($162,000) of the total increases is needed to cover the increased costs as well as provide for additional quantities of materials, supplies, and services, and travel and transportation in support of the basic gallery operations. This amount consists of $31,000 for travel, $1,000 for transportation, $83,000 for services, and $47,000 for supplies and materials.

The final 1 percent ($10,000) of the total increases is for increased costs and additional quantities of information booklets, calendars of events, gallery leaflets, extension service catalogs, and other printing.

Offsetting the above increases are decreases in equipment of $100,000, and decreases in the Repair, Restoration, and Renovation Buildings Program of $880,000.

## INTRODUCTION OF ASSOCIATES

Mr. Brown. Thank you, Mr. Chairman.

I have here on my left and I am happy to be able to introduce to you for the first time, I believe, our new chief financial officer, the Treasurer of the National Gallery, Daniel Herrick.

Perhaps you would like his curriculum vitae submitted. At least we will furnish it to you.

Senator McClure. If you would do so, that would be helpful. Thank you.

Mr. Brown. He comes to us with both Federal experience and 17 years as the chief financial officer of the Metropolitan Museum in New York. So he is well versed in our field.

To his left is William Roache, our Budget Officer.

Senator McClure. Thank you very much.

## CURRENT EXHIBITIONS

I think by any test this has been a most successful year for the National Gallery. Between the Treasure Houses of Britain exhibition and the Impressionists you have managed to pack the house. I understand you may wish to revise upward the attendance figures shown in this year's justification.

Mr. BROWN. I am afraid we will have to do that, Mr. Chairman. We don't have a crystal ball, but at least as long as these shows are here, which is well into April, we are running much higher than this time last year. Over the summer I think we will get back more nearly to normal, but our total attendance this year could break 7 million and maybe by considerably over that.

Senator MCCLURE. Do you have any preliminary estimates of the increase?

Mr. BROWN. Our best sharpened pencil comes out with 7.8 million, but it is very hard to see ahead, and that is rather conservative. It is interesting to look just at February. Of course winter is usually our slack time so that it increases the drama, but in February we are up over three times what we were last year.

Senator MCCLURE. There are some problems that come with success too, aren't there?

Mr. BROWN. Unfortunately.

Senator MCCLURE. I think it would be appropriate to mention the support of Ford and AT&T in financing these two exhibitions. AT&T has also been running commercials on the Impressionism exhibition. Have you any way to determine the impact of such advertisement to visitation number?

Mr. BROWN. We really haven't any rational way, Mr. Chairman. We are noticing this huge attendance, a lot of which might happen by word of mouth and by the intrinsic magnetism of the shows. There is no question that the advertising has been helpful in getting the word out, and helpful in doing something more than that, which I think is to remind people that art museums are a part of our life and to bring the benefits of understanding that to many people who may not get down to the National Gallery to see the show.

## TICKETING SYSTEM

Senator MCCLURE. Would you explain the ticketing system that is being used for the Impressionism exhibit?

Mr. BROWN. I will do my best, Mr. Chairman. We have allowed visitors to those exhibitions only if they present a pass which gains them access within timed one-half hour periods. A portion of those passes were computer generated on a reservation basis, and this allowed people to call in and to go also to a variety of outlets or ticket centers to physically pick them up outside the building.

There were 50,000 of those set aside for this kind of advance reservation out of perhaps 350,000 people that will physically be able to see the show with the regular passes. Which means that it was only a small percentage that could have access to that system.

There is a fee for those tickets and we were able to convince AT&T to increase their grant to cover that many tickets, which has been a very nice public service but shows that in the future this is not going to be a viable system to take care of the problem. Those outside tickets were all gobbled up within 12 days.

Senator McCLURE. Does that indicate you had too few or that the fee was too low or that you are simply not going to try it again?

Mr. BROWN. We are hoping to try it again but to spread the legitimate cost of this service to the people who are taking advantage of it. This will have a second advantage. We experienced a tremendous percentage of no-shows on the tickets that were passed out. We think it is partially because they were free and they felt, well, if I don't show up it doesn't make any difference. I think if they had a nominal service charge they might think twice before they didn't come. Without that it makes planning more difficult.

We are about to send up to you, Mr. Chairman, a letter explaining how we plan to handle the ticketing for our Soviet loan show in May. We are all experimenting here. I think that other museums have used this outside ticketing system on a service-charge basis and it seems to work, and we would like to see if we can take advantage of that system.

Senator McCLURE. Did you plan for this to be a small percentage of the total visitation or were you overwhelmed by the number who did decide to visit?

Mr. BROWN. Well, a little bit of both, but we got as many as we felt we could make available free. AT&T was not enthusiastic about the idea of our charging for them because we have already had the Treasure Houses of Britain exhibition in place with an all-free-pass system over there and it would have seemed perhaps awkward to have one show on a different basis from the other. So we were able to work this out as a special consideration, which helped us experiment with it. I think it has proven so successful that we would like to go further.

I think you can fall between the stools here and the best solution is to do it all one way or all the other. If we can have people come down to the National Gallery and get computer generated tickets free at the National Gallery, then those who want to take advantage of the convenience of not having to come down to the National Gallery for that and picking them up or telephoning in from all over the country on a free 800 number, then that is a service for which they should be prepared to pay.

Senator McCLURE. How soon will you have that letter up to us?

Mr. BROWN. In 24 hours, if you wish.

Senator McCLURE. I would appreciate it.

### CONSERVATION

Mr. Brown, over the last several years the National Gallery has stressed the need for additional positions in conservation and Congress has responded by providing additional funding in this area. According to page 1–14 of the justification the plan for increased staffing for conservation has been extended into 1987. We are, however, unable to find any request for additional conservation positions other than the cost of annualizing the positions provided by Congress last year. Does this mean that the remaining requirement will be met from non-Federal sources?

Mr. Brown. Actually not, Mr. Chairman. The reason you don't find them in this request is that when this request was written we had not heard of Gramm-Rudman-Hollings, and so we felt that the positions which you had accorded us last year would be funded and that we could proceed to hire the five new conservation staff that we so desperately need.

We have submitted to you, I believe, an analysis of the impact of Gramm-Rudman-Hollings on the various aspects of the National Gallery's operations, and one of those impacts is that of those five we shall only be able to afford one. Therefore, we are coming back to ask again next year, and that is why you see it in 1987, but it is also why you didn't see it asked for before that.

### TRANSFER AUTHORITY

Senator McClure. While there is no request for conservation positions, the National Gallery was allowed to reprogram 12 positions provided to assist with the increased visitation this year to other areas for fiscal year 1987. Five of the positions were used as an offset by the Office of Management and Budget against the increased conservation positions provided by Congress in fiscal year 1986; two are for maintenance; and the other five are for a space planner, a corporate relations officer, a clerk, a data processor, and an assistant slide librarian. Why when provided additional positions have you chosen these areas rather than conservation?

Mr. Brown. These are all positions we also very much need and our hope was that we could eventually work out some way that we could solve both these priorities, perhaps at the expense of some other aspect of the National Gallery's operations. This came up in our House hearing where it was suggested that we perhaps might ask for the authority to balance out our needs without increasing the overall appropriation, as scaled down by Gramm-Rudman, by further reprogramming. If we were allowed to move funds for the conservation positions over from the buildings accounts, we probably could handle that priority which, we agree with you, Mr. Chairman, is absolutely essential for the guardianship of our collection.

Senator McClure. If I understand you correctly, what you are suggesting is that you do that during 1986. My understanding is that those are two separate accounts and would require reappropriation if done during 1986.

Mr. Brown. I think it is technically called transfer authority, and as I understand it, that is something that Congress can grant and does for NASA and some other agencies. Because the agency is so small, under the rules of Gramm-Rudman you have to take it across the board from each pot. If in our case there was a possibility of having a little more flexibility, we achieve the same end, reducing our total expenditure, but could shift the load so that we would have the possibility of shifting toward these priorities which we consider so essential.

Senator McClure. My understanding would be that if there is money prior to the 1986 appropriation left over you could do that. The 1986 is placed in separate accounts, which would require separate appropriation action to allow you to transfer.

Mr. Brown. It would, I think, need legislative action of some kind.

Senator McClure. Are you requesting that legislative action?

Mr. Brown. That is what we were prompted to request in the other hearing and it does seem to be a solution that would save the Government money and still keep these priorities straight.

Senator McClure. We are already months into the 1986 fiscal year and weeks away from appropriation action at best. So half the year or more will be gone before we could do that even if Congress were to decide to do it. What does that do to your budget if indeed we can only do it for a remaining fraction of the year?

Mr. Brown. Well, I think we will struggle along as best we can, Mr. Chairman.

### ROTHKO PAINTINGS

Senator McClure. I can't argue with that.

The justification notes that the Rothko paintings will arrive at the National Gallery next year and due to their unique construction will probably require their own specialized conservator. Do you anticipate that the conservation of the Rothko works will be handled on a contract basis, or do you intend to hire a full-time person for this work?

Mr. Brown. This was one of the five positions that we had hoped to be able to hire full time.

Senator McClure. Was the gift of the Rothko paintings accompanied by any financial assistance to maintain the collection?

Mr. Brown. It was not, Mr. Chairman. The Rothko foundation was the result of the legacy of the artist when he died. He was very rich in paintings but not in other ways. So the hope of the foundation in giving us what, you will remember, the Washington Post called a $100 million gift, was that on the same basis that the National Gallery has proceeded under since 1941 the maintenance of this would be assumed by the Federal Government.

### EXHIBITION FUNDING

Senator McClure. I know you would be disappointed if we didn't in any Senate hearing have some discussion of the Federal/private split of special exhibition funding. I would not want to disappoint you. I would simply note two things:

First, while the justification states that it would be fully justifiable to have this program completely supported by Federal appropriations, two of the seven new positions requested have to do with corporate relations, so we will consider that argument won.

Second, a table is provided on page 4–14 showing that an additional amount of $209,000 over the request is required to remain level with a base year of 1980 and a projected inflation rate of 6 percent. While the inflation rate for 1980 was above 6 percent, actual rates of inflation for the past 4 years have averaged less than 4 percent. So I question the usefulness of such an analysis.

If we chose a base year of 1981 instead of 1980 and use the actual rates of inflation for 1981 through 1985 and project an inflation rate of 4 percent for 1986, the National Gallery's request for fiscal year 1987 is about $245,000 above the amount required for current services.

If we split the difference between these two analyses the budget request looks just about right.

Do you really feel that the Congress has shortchanged the National Gallery with respect to special exhibitions?

Mr. BROWN. Mr. Chairman, I hope we are not interpreted as having made that accusation. That is a brilliant analysis, and I would be the first to admit that the table that we submitted on page 4–14, which did an analysis of this inflation factor and our exhibition budget, is losing its usefulness as it is being overtaken by events.

Senator MCCLURE. It is losing its usefulness if we spot it.

Mr. BROWN. I should say that its inaccuracy cuts both ways, that in attempting to find some average over a long period I think it understated the degree of inflation in the early years and has overstated it in more current days.

My one point would be, as we look into the out years for what it will cost to put on exhibitions, that the actual materials that are so essential to our exhibition program do not follow the Consumer Price Index averages, which are heavily weighted toward groceries and mortgages and so forth. We have these extraordinary inflation percentages in what a narrow-spot 120-volt lamp costs. It's up 138 percent in the last 5 years. Many of these other items, they are all 15, 39, 56, 83 percent jumps.

So we have been feeling the pinch, and I think our basic point is that while we agree with your analysis for the current year, in the future we are nervous that any reduction in our exhibition budget would impact perhaps more than the lowered inflation rate might indicate to be the case.

## INDEMNITY PROGRAM

Senator MCCLURE. Of the funds budgeted for special exhibitions it is estimated that $616,000 in non-Federal funds will be spent for insurance in fiscal year 1987. The National Gallery makes extensive use of the authorities of the Arts and Artifacts Indemnity Act to obtain coverage for objects coming from overseas. In fact, we understand that one-third of the outstanding commitments under this program are for National Gallery exhibitions. We have also heard, however, that the Board recently declined to cover some panel paintings which you had planned to use in the Berlin exhibition. Additionally, the indemnity program only covers art from overseas. There have been some tentative discussions at the staff level concerning the establishment of a separate indemnity program just for the National Gallery.

Are you in a position to recommend whether this option should be explored more fully to the point of proposing legislation, or are you satisfied with the current arrangment?

Mr. BROWN. I don't think I would ever be against exploration, Mr. Chairman. It is a very interesting idea. I would say it would be particularly attractive if the withdrawal of the National Gallery from the ongoing indemnity program as it is now set up would then release opportunities for our colleagues to get indemnity coverage.

Our insurance costs are as high as they are partially because we always have to carry full insurance on objects that are lent from within the United States, and in any international exhibition that does not have as its theme objects that have been collected and owned by a foreign country, like the Treasure Houses of Britain, we have high impact. We are doing this Italian paintings exhibition in the fall, and these will be borrowed from wherever they are if they fit the criteria of the period and the artists we are after, and many of those come from the United States. Many of them are high, and we will have to pay for that.

I think it does have interesting possibilities if we could find a way of having the National Gallery have, in a sense, its own indemnity program as a way of helping with these extraordinary insurance costs.

Senator MCCLURE. I look in particular at the special exhibition program. It seems that something of that nature might ease the fundraising burden for those special exhibitions because it appears that fully one-third of the amount estimated to be raised from non-Federal sources is budgeted for insurance. Am I correct?

Mr. BROWN. This is true.

### UTILITY COSTS

Senator MCCLURE. An increase of $302,000 is projected for the costs of steam and electricity. Part of this increase is attributable to newly opened galleries and part is based on estimates of rate increases. As your staff has been very forthcoming in the past in advising us of changes which have allowed some reductions in this area from original estimates, we will not go into any of the details of this estimate but simply request that any new estimates be provided to us during the course of the year.

Mr. BROWN. I will be happy to do so, Mr. Chairman.

### NATIONAL SCULPTURE GARDEN

Senator MCCLURE. According to the justification, design work has been started for the completion of the National Sculpture Garden. What is the current status of the design and when do you anticipate a completed design?

Mr. BROWN. A landscape architect has been engaged. The architect has associated with him now the firm that has advised on many of the things that have happened previously on The Mall and the landscape architects who did the landscaping around the East Building. That had slowed the process a little until we could get him up to speed and on board.

There is apparently a meeting tomorrow on this subject, and we are very much hoping to get rolling.

Senator McClure. The budget estimates that $2 million will be spent on the National Sculpture Garden this year. Is that an accurate figure?

Mr. Brown. I think that there is no question that that is money that will be required to make the National Sculpture Garden a reality. Whether in fact it will have been spent by the end of this fiscal year is perhaps less certain. This is no-year money, so it doesn't have to be rushed to be obligated by the end of September. But we are trying to keep the pressure on so that we can begin to do the engineering and the infrastructure of the garden.

Senator McClure. Will $2 million be required for design, engineering and infrastructure?

Mr. Brown. That's right, and an additional $1 million the next year.

Senator McClure. Do you still have reason to be optimistic regarding the possible donation of a number of significant Moore sculptures?

Mr. Brown. We are very optimistic. The negotiation has stretched out longer than I would have liked, but the donor has been in a personal financial position in which he had to defer contemplating the gift. We think now there have been turns for the better in his own private picture, and I am always an optimist.

Senator McClure. Without this gift does the National Gallery have a collection which would lend itself to display in this area?

Mr. Brown. It is on the way to having it.

Senator McClure. Without that gift?

Mr. Brown. Without the gift we have a few pieces, but really haven't a critical mass.

## NATIONAL PARKS SERVICE AGREEMENT

Senator McClure. The justification includes a copy of the cooperative agreement between the National Gallery and the National Park Service with respect to the National Sculpture Garden. The agreement calls for the Park Service to construct, landscape, police, and maintain the grounds. As the Park Service account is also within our jurisdiction, it makes little difference which hand receives the money, but shouldn't this agreement be modified?

Mr. Brown. We think it should, Mr. Chairman. We have been waiting for things to mature a little until we came to the point where we could really sit down with them and work this out. Perhaps at a certain moment it would be very helpful to have your input on this as well.

I understand that they had deferred asking for appropriations for the National Sculpture Garden, although the agreement calls for them to do the constructing, at least until 1989. Of course the Congress passed this $2 million in our current budget, so that we are in a position to move ahead.

At a certain moment we would like to work it out so that they can continue to feel that this is part of the National Park System. On the other hand, the standards of curatorial care and maintenance of the

National Gallery are so high that The Mall would be better served by having this part of the National Gallery's responsibility. That is something we are going to have to work out with them.

Senator McCLURE. Has the Park Service shown any real interest in moving forward with the project at their expense?

Mr. BROWN. No; for the moment because it has been taken out of their budget request now for a couple of years. They do report one encouraging thing. We feared that the concessionaire who was going to build a facility over on the far side had backed out, but apparently he is now back in and this will be a less costly building. I understand that he has $1 million budgeted this year to move ahead on that, so that the private sector will be involved in this as well.

### EXHIBITION TRANSPORTATION

Senator McCLURE. The object class breakdown on page 8-2 shows an increase of almost 100 percent in travel costs between fiscal years 1985 and 1987 and an increase of almost 500 percent in the transportation of things during that same period. For the transportation of things almost all of the increase is attributable to the special exhibition program. Why are these costs for the special exhibition program so much higher than in previous years?

Mr. BROWN. Part of the explanation is that the figures are tilted by the bunching up of Treasure Houses of Britain costs, which for the transportation of things are extraordinarily high. Often we are blessed with almost single source exhibitions, which makes it a much more streamlined operation. In this case, borrowing from 220 different houses and with some 27 flights to get this material over, and with couriers having to accompany everything, this has skewed this cost.

As you look into the out years, there is a higher percentage of foreign shows than there has been in the base period, so that we are again dependent on the couriers and the additional costs of multisource exhibitions.

### ADDITIONAL COMMITTEE QUESTIONS

Senator McCLURE. Thank you very much, Mr. Brown. There are some additional questions which we ask be answered in writing for the record.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

### ADDITIONAL COMMITTEE QUESTIONS

#### NEW POSITIONS

*Question.* It appears that all five positions have been budgeted for an entire year. Wouldn't it be appropriate to calculate a lapse figure into the request?

Answer. Normally it might be appropriate to calculate a lapse figure into the request for five new positions. However, we were planning to redistribute five full-time equivalents from crowd control of the Treasure Houses of Britain exhibit, and since we have viable candidates in mind for most of the positions, no lapse time calculation was considered necessary.

### LIBRARY EDP SERVICES

*Question.* This year, as last year, the gallery is requesting an increase of $84,000 for development of the integrated library system. How long will it take to complete this system and are additional out year costs involved?

Answer. Two years of start-up costs are involved in the effort to automate the library; then other out year costs decrease dramatically to cover only maintenance.

*Question.* What is the total that will be spent on the integrated library system under the 1987 budget request?

Answer. The total in 1987 to be spent on the integrated library system is $172,000.

*Question.* Is this system progressing as planned during the current fiscal year, or have budgetary constraints delayed implementation?

Answer. Because of the Gramm-Rudman-Hollings cuts, the long-awaited 1986 expenditures to begin the conversion to automation will not be made.

### DATA PROCESSING

*Question.* What is the total amount spent annually by the gallery for computer services and hardware (broken down between Federal and trust)?

Answer. In fiscal year 1985 the gallery spent the following for on-site computer services and hardware:

| | |
|---|---|
| Function A: Care and use of art | $329,446 |
| Function D: General administration | 311,711 |
| Non-Federal | 104,980 |
| Total | 746,137 |

*Question.* What is the gallery's purchase authority for computers?

Answer. The gallery's purchase authority for computer equipment is Federal Property Management Regulations [FPMR] 101-36.203.2 and 101-36.303.2

*Question.* Has GSA ever reviewed the gallery's computer plan?

Answer. As requested by OMB in Bulletin No. 85-12, dated March 29, 1985, the gallery provided a list of major information systems and a brief description of each on April 30, 1985. In response to this same bulletin, the gallery submitted the information requested in appendix A, part I, Overall Strategies, to OMB on June 1, 1985. In accordance with Bulletin 85-12, we understand that after reviewing the above mentioned submissions, GSA will identify any further information that might be required.

*Question.* Does the gallery bill the Federal appropriation for computer usage? Please provide a detailed explanation as to how this works? For instance, is unused time billed to both trust and Federal funds?

Answer. Currently, on-site computer usage and related expenses are accumulated by decision center and are billed at cost on a monthly basis to Federal by function A and function D, and to non-Federal funds. These expenses are billed as follows:

*Salaries/fringe benefits.*—Billing is based upon timesheets and permanent assignments.

*IBM computer expenses.*—Billing for the IBM mainframe is based upon the Johnson Systems Job Accounting System which reports monthly CPU usage by decision center. The decision center is billed in the same percentage relationship as the underlying actual charges. In other words, if Federal users accounted for 37 percent of the total time used on the IBM mainframe, Federal appropriations would be charged for 37 percent of the associated expenses. With this methodology, although unused CPU time is not a specified part of the billing algorithm, nonetheless, it is shared proportionately by all users.

*NCR computer expenses.*—All NCR related expenses are currently billed entirely to non-Federal funds.

*Other expenses.*—Other on-site computer expenses are charged based upon actuals.

### SUBCOMMITTEE RECESS

Senator McCLURE. The subcommittee will stand in recess until 2 p.m. on March 6, at which time we will review the fiscal year 1987 budget estimates for the Minerals Management Service.

Thank you very much.

[Whereupon at 3:15 p.m., Tuesday, March 4, the subcommittee was recessed, to reconvene at 2 p.m., Thursday, March 6.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1987

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THURSDAY, MARCH 6, 1986

U.S. Senate,
Subcommittee of the Committee on Appropriations,
*Washington, DC.*

The subcommittee met at 2:45 p.m., in room SD–138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senator McClure.

## DEPARTMENT OF THE INTERIOR

## Minerals Management Service

### STATEMENT OF WILLIAM D. BETTENBERG, DIRECTOR

ACCOMPANIED BY:
- JOHN B. RIGG, ASSOCIATE DIRECTOR FOR OFFSHORE MINERALS MANAGEMENT
- JERRY D. HILL, ASSOCIATE DIRECTOR FOR ROYALTY MANAGEMENT
- THOMAS M. GERNHOFER, ASSISTANT DIRECTOR FOR ADMINISTRATION
- DONALD T. SANT, ASSISTANT DIRECTOR FOR PROGRAM REVIEW
- THEODORE F. SAUNDERS, BUDGET OFFICER
- ANTHONY L. ITTEILAG, DIRECTOR OF BUDGET, DEPARTMENT OF THE INTERIOR

### BUDGET REQUEST

Senator **McClure**. Let me start by apologizing for the delay. Little matters like legislation dealing with the availability of ammunition for sporting purposes does get the attention of the Senator from Idaho, and that is what we had on the floor.

This is the time scheduled to review the fiscal year 1987 budget request for the Minerals Management Service [MMS] whose fiscal year 1987 request is $160,100,000. This is a decrease of $6,910,000 from the fiscal year 1986 enacted level and a $271,000 increase from the fiscal year 1986 sequestration in accordance with the provisions of the Balanced Budget and Emergency Deficit Control Act of 1985.

Testifying on behalf of the Department this afternoon will be Mr. Bill Bettenberg, Director of the Minerals Management Service.

PREPARED STATEMENT

Your full statement will be made a part of the record at this point. If you will introduce your associates that may be assisting you, we will then proceed directly to the questions.

[The statement follows:]

## STATEMENT OF WILLIAM D. BETTENBERG

I want to thank the chairman and members of the subcommittee for the opportunity to appear today to discuss the Minerals Management Service [MMS] budget proposal for fiscal year 1987. The MMS has responsibility for two major programs both of which provide significant revenues for the Treasury. These programs are the leasing and management of mineral resources on the Outer Continental Shelf [OCS], and the collection and disbursement of oil, gas, and other mineral receipts from mineral leases on Federal, Indian, and OCS lands. Our budget supports programs that encourage environmentally sound exploration and development of the Nation's offshore energy resources which in turn can reduce our dependence on foreign sources of supply and enhance our national security. While these programs constitute a significant source of revenue for the Federal Treasury, OCS leasing and production operations also represent a vital source of energy for many years into the future. Production operations on current OCS leases account for approximately one-fourth and one-eighth, respectively, of our Nation's production of natural gas and oil.

The budget request for the minerals and royalty management appropriation for fiscal year 1987 is $6.9 million below our fiscal year 1986 enacted appropriation. We are able to propose this reduction primarily as a result of our ongoing reexamination of program priorities and directions, by focusing on areas of greatest promise and industry interest, and through continuing emphasis on management and administrative efficiencies.

Highlights of our budget proposal include:

—A reduction of $4.24 million in the Leasing and Environmental Program. This reduction is a result of two factors: (1) completion of MMS funding for the South Central Coast Cooperative Aerometric Monitoring Program [SCCCAMP] in fiscal year 1986; and (2) a decreased need for areawide reconnaissance studies and studies in certain relatively lower interest areas.

—Reductions totaling $1.2 million due to decreased staff requirements in the OCS Program. These proposed staff reductions reflect a projected decline in workload relating to lease sales included in the proposed 5-year OCS oil and gas lease schedule; and savings through efficiencies in administrative support provided to the Offshore Regulatory Program.

—Reductions of $0.45 million in the Strategic and International Minerals Program, $0.3 million in technology assessment and research, and $0.3 million in the Oil and Gas Information Program. These reductions reflect a Bureauwide narrowing of the scope of contractual support commensurate with current requirements and available funding.

—Reductions totaling $2.2 million in the costs of the royalty management program's computer systems. This decrease relates to one-time fiscal year 1986 costs associated with the leasing and operation and maintenance of new computer hardware and software systems, reimplementation of the auditing and financial system, and the development of the State and tribal support system.

—Reductions totaling $0.78 million due to initiatives intended to reduce the costs of management and support activities.

—A reduction of $22.9 million in the appropriation for payments to States from Federal onshore mineral leasing receipts. This is made possible by a proposal that net, rather than gross, receipts be shared with the States after program costs are deducted. This proposal would reduce the Federal deficit by approximately $53.5 million in fiscal year 1987 while assuring that the distribution of revenues between the States and the Federal Government is equitable.

I would now like to discuss in more detail the two primary operating programs under the minerals and royalty management appropriation: Outer Continental Shelf lands and royalty management.

## OUTER CONTINENTAL SHELF LANDS

Oil and gas leasing and production on the OCS is an extremely important and highly visible program. The Nation's production of oil peaked in 1970 and natural gas production peaked in 1973. Decreasing levels of domestic production since the 1970's and the increasing levels of imported oil reflect the fact that America has not been finding enough new petroleum reserves to replace the oil and gas we have been using. The OCS Leasing Program is designed to provide an opportunity for industry to explore and develop offshore prospects. The lead time to bring new OCS fields into production are substantial. The time elapsed from leasing to initial production can extend from about 4 to 13 years. Therefore, it is important to the welfare of future generations of Americans that we find new energy sources today and work toward making these resources available in the future.

In addition to supporting the energy needs of the Nation, the Federal Offshore Leasing Program has provided over $80 billion in Federal receipts since 1954. This had the effect of offsetting the potential need for an equal level of increased borrowing, increased taxes, or reductions in Government services. The OCS programs also provide jobs for Americans in direct OCS related activities and through service and support industries. In addition, the Federal Treasury receives income from windfall profit taxes as well as additional receipts in OCS-related employee and corporate income taxes.

For these reasons, it is important that the OCS Oil and Gas Program proceed in a steady, orderly manner. In an attempt to improve understanding and support for the program, MMS has worked with State and congressional delegations to resolve leasing issues amicably. The Department has made a concerted effort to exclude from the long prelease planning process, areas where industry interest is minimal and conflicts exist with other resources or uses. Adjustments have also been made in a number of sale dates to better accommodate extra consultative efforts with State governments. Also, an agreement to pursue negotiated rulemaking concerning regulations governing air emissions from oil and gas exploration and development facilities on the Federal OCS offshore California was reached last November by the Interior Department, the State of California, two environmental groups, and representatives of the oil industry. This is another positive step to reach a consensus with concerned parties, and assure that scheduled OCS program activities proceed in an orderly fashion.

On February 6, 1986, Secretary of the Interior Don Hodel released the proposed 5-year Offshore Oil and Gas Leasing Program for 1987 through 1991. This program will slow the pace of lease offerings from 2 years to 3 years in most planning areas and will reduce the size of sales by focusing on promising acreage. The proposed program has the flexibility to satisfy the statutory requirement to meet national energy needs under a variety of conditions. The program is designed to be responsive to potential changes in economic circumstances.

Implementation of the schedule included in the program will enable MMS to continue the extensive consultation process with all concerned parties that has been practiced during the last 2 years, and will also allow the Department to resolve conflicts earlier in the process and reduce acreage or cancel sales where low value or industry interest warrant such action. It will also allow MMS to accelerate sales when needed in areas of higher value and industry interest. Thus, this program is fully supportive of the need for greater energy discovery and development, increasing revenues to the Government, and fully protecting the Nation's environment.

## ROYALTY MANAGEMENT

The Department of the Interior has been collecting rents, royalties, and bonuses from Federal and Indian mineral leases since 1921. Within the last few years, however, the Department has intensified the attention given to the process to assure that mineral leasing revenues are more properly collected, accounted for, and distributed to the recipients as established by law. MMS has been responsible for this function since its establishment in 1982.

We have worked diligently to overhaul the outdated accounting system which had been in use for more than 30 years, and to improve accountability for the Nation's mineral leasing revenues. The recent development of a royalty management action plan published in April 1985 is designed to guide our efforts over the next few years. We believe that following this plan will result in a much improved program for the future. Major programmatic and management changes have taken place during fiscal year 1985 and are continuing in fiscal year 1986. Among the most important of these changes are:

—Relocation of the headquarters for royalty management from Washington, DC, to Lakewood, CO, to place the decisionmaking authority geographically closer to the States, Indians, and industry, enabling MMS to promptly address their concerns.

—Expansion of the RMP Office of External Affairs, appointment of an Indian ombudsman for Indian tribe support, and development of a comprehensive outreach program to assure that all important information is made available to States and tribes in a timely manner.

—Establishment of a Royalty Management Advisory Committee to provide external oversight and advice to the Secretary.

—Purging and purifying the AFS data base and concurrently realigning of the RMP staff along geographical lines to maintain AFS data base information on a lease basis.

—Establishment of direct on-line access for States and Indian tribes to MMS data systems. This will improve the information flow to users and will help to maintain the data base by identifying inaccuracies.

We are also continuing to work on an improved version of our product value regulations. A preproposal draft has been developed and made available to interested parties for comment through a notice in the Federal Register. We have also provided copies to members of the Royalty Management Advisory Committee and asked for their advice. These draft rules cover oil, gas, coal, gas processing allowances, and transportation allowances.

We have also proposed legislation for later transmittal to Congress providing for payment of interest to successful appellants. Certain assessments or royalty payment obligations imposed by the royalty management staff are contested by the payors and appealed. Pending a decision on an appeal, the payor is currently required to pay the disputed amount to the Government. Where it is determined that all or some portion of the contested amount is not owed to the Government, an Indian account, or the Alaska Native Corporation, the Department proposes to pay interest to the payor on the amount refunded for the period of time that the disputed amounts have been on account with the Government. This proposal would reflect fairness and better business practice than is permitted under current law. We are preparing language to provide for this which is currently under review by the administration and will be transmitted to the Congress at a later date.

Mr. Chairman, this completes my prepared statement. However, I would be pleased to answer any further questions you or the committee members may have.

### INTRODUCTION OF ASSOCIATES

Mr. BETTENBERG. Mr. Chairman, it is a pleasure to be here. I have with me today, on the far right, Ted Saunders, who is our Budget Officer; next to him, Mr. Jack Rigg, whom you have met before; on his left, Don Sant, our Assistant Director for Program Review; on my left, Jerry Hill, our Associate Director for Royalty Management; and on his left, Tom Gernhofer, our Assistant Director for Administration.

Senator McCLURE. Thank you very much.

### SEQUESTRATION OF PAYMENTS TO STATES

In accordance with the provisions of the Balanced Budget and Emergency Deficit Control Act of 1985, $23,895,000 of payments to States of receipts generated from minerals production from leasing on Federal lands is to be sequestered. According to your justification, these funds will remain in the account and will be available at a future date to the extent permitted by law.

The General Accounting Office has determined that the sequestration of these funds is legal, although I may disagree with that. Therefore, these funds will not be distributed to the States but will not go to the Federal Treasury because the Mineral Leasing Act of 1920 requires that States receive 50 percent of the revenues.

What is the current status of these funds and what will the Department do with them?

Mr. BETTENBERG. We are beginning to sequester those funds this month. I have written a letter to the Governors indicating the process that we will use. We are basically doing the following:

We are computing what 50 percent of the revenues are each month in basic terms. There are some nuances with Alaska payments at 90 percent, but basically it's 50 percent. We will take that figure and reduce it by approximately $3.4 million each month. We will adjust that amongst the States on a continuous basis through the end of the fiscal year. That will result in sequestering the total amount that we are required to sequester.

The precise disposition of the funds at the end of that period is unclear. The President's budget document shows the sequestered amounts just simply continuing as a balance through next fiscal year.

We will be seeking an opinion from our Solicitor or from the Comptroller General to find out just exactly how those funds are to be treated after the end of the fiscal year because the law is basically silent on that, as I understand it.

Senator MCCLURE. Would I be correct in assuming that the States will get interest on that money?

Mr. BETTENBERG. That is a second question that we have to find out. The informal opinion from the Solicitor's office is, no, they won't. If they do, then we would have to pay it, I presume, as a late payment sort of interest.

### INTEREST EARNED ON SEQUESTERED FUNDS

Senator MCCLURE. Will those funds be in an interest-bearing account?

Mr. BETTENBERG. They are not in an interest-bearing account. There is nothing in the Mineral Lands Leasing Act that allows us to establish an interest-bearing account.

Senator MCCLURE. There is nothing in the Mineral Lands Leasing Act that allows you to withhold the funds.

Mr. BETTENBERG. There is nothing in the Gramm-Rudman-Hollings Act that allows us to differ from the other one.

Senator MCCLURE. There is a difference of opinion on that, but I understand that you are telling us what you have been told to say in that regard.

If they are placed in an interest-bearing account and it is later decided the States are entitled not only to the money but to the interest, at least the interest would be there. If they are not placed in an interest-bearing account and it is later decided the States not only get the money but they are entitled to interest, then there would be an increased draw upon the Treasury at that time. Is that correct?

Mr. BETTENBERG. That's correct.

The question for us as a matter of law is whether the Federal Oil and Gas Royalty Management Act late payment interest applies, and that is the question that we have for the Solicitor's office. Their informal opinion is that it would be superseded by Gramm-Rudman. But that is where we would see the interest coming from if it were to come from any place.

Senator MCCLURE. The Solicitor is doing what a good lawyer should do in this instance, resolving all doubts in favor of his client.

That really does mask, and I should be more candid than that, a very strong opinion on my own part that the 1920 act says that those revenues are due the States. Gramm-Rudman, in my opinion, does not cover those funds. They flow directly from receipts to the States; they don't flow to the Federal Treasury to be appropriated back out of the Treasury. If a banker were to attempt to use the funds the way the Federal Treasury does he would be put in jail. I realize we are not going to jail the Treasury. But I think it is neither legally nor morally justified to take money that the law says belongs to the States and say, well, we are going to sequester some of that as though it belonged to the Federal Government and then was given to the States.

I know that is not the position the administration has taken, but I wouldn't be quite fair to the administration if I didn't state my own opinion.

Mr. BETTENBERG. I understand your view, Mr. Chairman. I think that we are all aware of it.

### GEOLOGICAL AND GEOPHYSICAL DATA

Senator MCCLURE. In fiscal year 1986 MMS proposed bill language that would allow the reimbursement of permitees for only the cost of reproducing geological and geophysical data and not the costs of processing the data. Before the language was enacted, however, the Department's Solicitor determined that the language could not be applied to permits issued prior to the enacted change in the statute. Therefore, this change will be phased in as the old permits are phased out, as I understand it.

After these new permits are phased in the Department will no longer be paying the full costs for this data.

Last year you testified that industry collected over 300 million dollars' worth of data in 1984 with the Department purchasing roughly $5.4 million of that amount.

The intent of this language is one of cost savings and is not intended to provide the Department with an excuse to request an abnormal amount of data from industry. Yet your justification indicates that 16 percent more line miles of common depth point data will be acquired in fiscal year 1987 over fiscal year 1986.

How much of this increase stems from data acquired under the old permits which require reimbursement of the full cost?

Mr. BETTENBERG. I am not sure that I can give you a figure on how much stems specifically from that. We anticipate that some 70 percent of the data we acquire this next year will be from old permits. There may be some modest increase. You might note that in our budget we also have an increase of $900,000 to go along with that. There might be some modest increase in data acquired to the extent that appropriations limited our acquisition of some specific data that might have been acquired by seismic vessels.

We did not propose it nor do we intend to use it as a means of greatly expanding the amount of data that we get. We try to tailor our data requests to the work we have at hand in terms of sales, resource estimates, and that sort of thing.

Senator McCLURE. Are you suggesting that the fact that there is a difference in the cost of acquiring it has had no impact upon your decision to acquire it?

Mr. BETTENBERG. It could have some modest impact on it.

Senator McCLURE. But you are acquiring a great deal more now, are you not? Or planning to?

Mr. BETTENBERG. As I recall in fiscal year 1986, with something like $4.9 million, we are planning to acquire about 62,000 or 63,000 line miles. I think that next year, with the $900,000 increase, we are proposing to get something around 75,000 line miles. So the increase is a little bit more than the dollar increase, but not that much more, I do not believe.

Senator McCLURE. Is the $900,000 increase requested because of the phase-in of the new permits?

Mr. BETTENBERG. Yes; we would anticipate bringing that down into the $2 million range in total from about $5.7 million in a couple of years.

Senator McCLURE. Bringing it down because you acquire the data without payment?

Mr. BETTENBERG. That is correct. What we are reimbursing the companies for is their out-of-pocket costs in furnishing the data to us. What we were paying for before was a prorata share of their processing costs. They have to process it in any case, but we won't be paying them for that processing cost in the future.

### SOUTH CENTRAL COAST COOPERATIVE AEROMETRIC MONITORING PROGRAM

Senator McCLURE. Last year Congress added $1.28 million for a total of $1.5 million for the South Central Coast Cooperative Aerometric Monitoring Program [SCCCAMP]. The purpose of this program is to permit MMS to participate in a multigovernmental and industry program designed to monitor the impact of air emissions offshore California from leasing exploration and development of the Outer Continental Shelf [OCS].

This was to be the first year of 2 years of funding. Your fiscal year 1987 justification indicates that MMS's participation will be fully funded in fiscal year 1986 and fiscal year 1987 funds are not required.

Has MMS changed its role or scaled back the program to accommodate this reduction?

Mr. BETTENBERG. The basic program was in fact 2 years. We contributed the first year at a much lower level. My recollection is something in the range of about $200,000 the first year. This year is the second year of the program. There was visualized a possible third year of the program. We have not been asked for any funding for that.

Senator MCCLURE. For the third year or for the second?

Mr. BETTENBERG. For a third year. We are actually funding a substantial portion of the second year this year. The third year was always considered a potential add-on year to the program, as I understand it.

Senator MCCLURE. I want to get on the record very clearly what is confusing to me and maybe you can clear it up. I had understood it to be a 2-year program. The 1985 funding was a very small amount and the 1986 funding was a large amount, and I had assumed from a 2-year study that had just barely started up in 1985 with a small amount of money that 2 years would really be 1986 and 1987. Are you telling me that the 1985 funding was the first full year and that the 1986 funding is the second full year?

Mr. BETTENBERG. Yes; that is my understanding, Senator.

Senator MCCLURE. Would you check on that?

Mr. BETTENBERG. I surely will. The amount that we contributed to that in 1985 was relatively small, but it was a small portion of the total available. My recollection is perhaps even several million dollars that industry was paying in that year.

Senator MCCLURE. Are you satisfied that the information collected through 1986 will be sufficient?

Mr. BETTENBERG. That is the plan. My understanding is that a third year was always considered an option year.

Senator MCCLURE. Could you provide a little further information on that? I would like to pin that down. I would also like to pin down, if you can, what the objectives were as outlined from the beginning that caused you to participate in 1985 and in 1986 and how those objectives will be met by the activities now going on funded through 1986, and also when that will be completed and the information available.

Mr. BETTENBERG. It is supposed to be done this fall, but we will provide that for the record.

[The information follows:]

### SOUTH CENTRAL COAST COOPERATIVE AEROMETRIC MONITORING PROGRAM

The original and current objective of the South Central Coast Cooperative Aerometric Monitoring Program [SCCCAMP] is to develop tools to better assess potential impacts of Outer Continental Shelf [OCS] oil and gas activities on onshore air quality. The SCCCAMP was initially planned to be a 3-year program, beginning in March 1984 with the planning phase and ending in January 1987 with completion of the modeling phase. Industry planned to fund the planning phase and the majority of the field study, thus making Federal participation/funding basically a 2-year program. The original timeframes and funding estimates were as follows:

A. Planning: March 1984–March 1985 ($825,000).
B. Field study: October 1984–October 1985 ($2,650,000 to $3,195,000).
C. Data archiving/analysis: June 1985–June 1986 ($750,000).
D. Modeling: June 1985–January 1987 ($1 million).
Total: $5,225,000 to $5,770,000.

Although the original program objective has not changed, the timeframes and funding estimates have changed. The present (March 1986) timeframes and funding levels are as follows:

A. Planning: March 1984–March 1985 ($825,000).
B. Field study: October 1984–October 1985 ($2,975,000).
C. Data archiving/analysis: June 1986–September 1987 ($1,002,000).
D. Modeling: September 1987–September 1988 ($1 million).
Total: $5,802,000.

Changes in timeframes have been made to reflect time required by the SCCCAMP technical coordinating committee to develop scope of work requirements for the data archiving/analysis and modeling phases, time anticipated to be required in the procurement process for these phases, and time for the actual performance of the data archive, analysis, and modeling. The minor adjustments in funding estimates have been made as scope of work requirements are better defined.

The Federal involvement and commitment has changed substantially with regard to funding of SCCCAMP. The Minerals Management Service originally planned no funding of SCCCAMP in fiscal year 1985. However, late in fiscal year 1985 MMS Environmental Studies Program funding of $220,000 was redirected to support portions of the SCCCAMP field study phase. For fiscal year 1986, MMS initially planned to fund $220,000 for SCCCAMP data analysis.

Subsequently, this projected fiscal year 1986 funding level was increased by $1.28 million as a result of funds added to the MMS appropriation by the Congress specifically for SCCCAMP. Current fiscal year 1987 Environmental Studies Program plans include approximately $220,000 for the modeling phase. This is conditional on the level of industry participation and may change as industry's plans change.

It is anticipated by the MMS and the SCCCAMP committees that the planned products will meet the program objectives. Completion of the final modeling phase of SCCCAMP will be late 1988. Some information (raw data) is already available. Milestones for SCCCAMP products are listed below:

A. Raw data and field reports—to be completed by May 1986.
B. Data archiving: all data in archive form by early 1987.
C. Data analysis—generation of maps, figures, tables, and narrative report by late 1987.
D. Modeling—report on model evaluation by late 1988.

### CALIFORNIA NEGOTIATIONS

Senator McClure. I might just mention that the Congress did last year pass a statute compromising the question of moratoria on OCS activities and part of that compromise was setting up a negotiating team to negotiate between the interests in California and the Department of the Interior and congressional interests. That negotiation is going forward with virtually weekly meetings. We had such a meeting yesterday afternoon. As you know, in that meeting this very question became a very important part of the concerns as expressed by California coastal communities.

We are probably going to be called upon to make a decision based upon considerations like this information. Apparently we may be forced to some kind of a congressional decision before information is available.

Mr. BETTENBERG. If I could give you a few comments on several items related to that. The SCCCAMP Program is only one of the programs we are engaged in out there. First, we have had a program going on for several years using the acronym JIMS, joint interagency modeling study. Those data are now available. That effort is completed. We will be doing additional computer runs using the model developed from that to simulate different kinds of configuration of rigs and so forth. But we do have that in hand now.

Second, we have an agreement with the State of California, with several environmental groups, and with the Western Oil & Gas Association and some of its member companies to proceed into a negotiated rulemaking for air standards relating specifically to California. We are in the process right now of contracting for a facilitator to handle those negotiations out in California for us. We will be proceeding with the State, with industry, with the environmental groups in seeing if we can't coalesce around a set of regulations that we can live with over a long period of time. That is under way.

## ROYALTY MANAGEMENT SYSTEMS REIMPLEMENTATION

Senator MCCLURE. On October 1, 1985, MMS received and installed an IBM mainframe computer with supporting peripherals and system software. This system is to be used for the reimplementation of the auditing and financial system.

In accordance with this system, Martin Marietta began an operation and maintenance contract with MMS that included a preparation phase and reimplementation/unit test phase for the work packages.

It is my understanding that MMS recently accepted a delay in the Martin Marietta delivery schedule of 5 months.

Can you explain this delay and what effects it will have on the implementation of the computer and the software systems?

Mr. BETTENBERG. Yes; the delay was accepted very reluctantly. The company, even though they had the best technical proposal and we, therefore, gave the award to them, clearly underscoped the size of the project. It became evident last fall, as they fell further and further behind on meeting interim deliverables, that there was going to be a substantial delay in the project. They studied that question and concluded that to do the project and give us the kind of testing we thought necessary for quality assurance it would take an extra 5 months even with them putting extra people on.

They have, in fact, put the extra people on. We were informed 2 weeks ago that even with the extra people and the time that has elapsed they either have to make some compromises in testing or take a longer period of time.

That had several aspects to it.

First, we are working with the company to again assure ourselves that they are doing everything necessary to get the contract moving as rapidly as possible.

Second, to fully understand their testing proposal.

Then at a separate level we have a contract dispute. We have been withholding over $5,400 a day as liquidated damages for every day that they are late, since late December.

At this point it is fair to say that we would anticipate that they will lose money on this contract and that we will pay them a fair amount less than what was bid because of the delays.

The impact of the delay is serious. We went into this proposal because we needed to have that system operate in a much faster way than it currently does spread out amongst a variety of minicomputers. So performance was what we were looking for. We were looking at improved performance at the earliest date possible for two reasons.

The first reason was the system will work much better if you can get access to it to make corrections to data. From an operational standpoint it is very important that we get the system up and operating as soon as we can.

Second, we have a number of improvements that we want to make to the system. What we are doing right now is taking an accounting system and moving it from a horrendous operating environment with minicomputers to a mainframe computer, which is what the system was originally designed for. Once we get that system transferred, then we can start making some of the improvements that we have seen we need to make in it, and they will be a lot easier to make than they were on the minicomputer system. But we cannot do that until we are fully converted.

Senator McClure. When you say make changes, you are not talking about making changes in the scope of the contract with Martin Marietta?

Mr. Bettenberg. No; we are talking about once the system is converted.

### COST OF DELAY

Senator McClure. What is the delay costing the Department? Is there any way to put a dollar figure on that?

Mr. Bettenberg. I would say at a minimum it is surely costing us liquidated damages we are charging them, $5,441 per day.

Senator McClure. Is that a liquidated damages provision in the contract?

Mr. Bettenberg. That is a provision in the contract. It is the maximum that is in the contract. It is probably larger than that. We are keeping our conversion team in place for a longer period of time. We are running the old system for a longer period of time. The converted system will allow us to make corrections to data much more rapidly and should improve our collection performance and potentially could reduce our late payment interest. So there are a variety of charges.

We can certainly tailor that out to a specific number and provide it for the record, but it would be upward of that figure.

Senator McClure. Does the contract provide for any opportunity to collect damages above the figure you have already withheld?

Mr. Bettenberg. My understanding is that it does not.

Senator McClure. So that is their maximum liability for delay?

Mr. Bettenberg. That, plus their added costs of actually performing on the contract.

Senator McClure. I understand that. As I understand it, the justification for this system in the first place was that you were losing revenues to the Government because of inadequate enforcement capacity.

Mr. Bettenberg. That's right.

Senator McClure. So I assume that to a degree you are still losing revenue because you haven't been able to collect it.

Mr. Bettenberg. No question.

Senator McClure. Even if those losses of revenues along with everything else may exceed the amount of the contract they are not liable for it?

Mr. Bettenberg. That is not a question that I have examined and it is something that we surely would examine in our contract discussions before the Board of Contract Appeals.

Senator McClure. Have you felt that there was compromise in the quality assurance portion of this contract because of the delays?

Mr. Bettenberg. We are reviewing all of their products very thoroughly. We have a very capable team in place. We put it in place specifically for this project. It includes a number of our very best people. We have had no problem in issuing pink slips. We have rejected practically every first product that they have provided us. The task, as you can imagine, is divided into a number of categories of work that needs to be done. The company eventually gets things right, but we have insisted that we get them right before we accept anything.

The company has come to us with a different unit testing proposal for each set of programs, and we are reviewing that right now to see if it will provide us with a very adequate margin of safety. What they have proposed in our judgment doesn't meet what we originally visualized, but we are reviewing that to make certain that everything we visualized originally is realistic because we want a system that functions perfectly when we implement it.

Senator McClure. I am concerned. Anytime a contractor is losing money they start cutting corners. I am sure you are concerned too.

Mr. Bettenberg. We are. We had the president-elect of Martin Marietta, the parent company, in just a couple of days ago to review the problems we see in their operation of this. We think, in fact, that they did underscope the project. That is clear. But on the other hand, we do not think that they have managed the work as efficiently as they might, by a long shot.

## DEDUCTION OF OPERATING COSTS FROM ONSHORE RECEIPTS

Senator McClure. Let me shift to another subject for a minute. I am a little hesitant, but I think I must put it on the record. I am hesitant because I suspect that I do not have the responsible official before me, but I think since you are representative of this administration and that is an essential communication link between the Congress and the administration in these hearings that I should not spare your feelings. And I don't apologize overmuch for it because it will become obvious why I am asking the question.

Again this year you are proposing to deduct onshore leasing costs of MMS, Bureau of Land Management, and the Forest Service from the Federal onshore mineral leasing receipts before receipts are distributed between the Treasury and the States.

This is at least the fourth year you have made this proposal, and it will probably be the fourth year the Congress rejects it.

How many times will Congress have to reject this idea before you give up and propose something else?

Mr. Bettenberg. I can't answer that question, Senator.

Senator McClure. I hope you will transmit the message.

Mr. Bettenberg. I understand the question and the message.

Senator McClure. Really, it is frustrating for us up here to be involved in such unrewarding repetition of ideas whose time has never come and probably never will.

Mr. Bettenberg. As Mr. Itteilag reminded me, from a practical standpoint it gets very difficult to deal with something once it is a proposal in the budget because that, as far as OMB is concerned, becomes our base for the next year. We have our budget to them long before Congress enacts the current year.

Senator McClure. I thought of some innovative ideas as to how to deal with that, like, for instance, after the third year when they forced you to do that we put it in their base, not yours.

It has got to be troublesome for you. I know you don't like to be indulging in exercises in futility, particularly when the result has the inevitable consequence of hurting your budget position.

Mr. Bettenberg. About 1½ years ago, Senator, I was in a meeting with State auditors who were haranguing me on this very subject. I finally said, "Look, you are not responsible for these funds and whatever my view might be isn't going to influence the outcome of that debate. We jointly have an audit problem. Let's just stop talking about this and work on the audit problem." Our relationship with them has gotten a whole lot better since they agreed to do that.

Senator McClure. If we could get you to agree to do that your relationship with Congress would get a lot better too. I know you are only a transmission agent, but if I didn't say that there would be some other people who thought we were getting soft on it.

Mr. Bettenberg. I understand.

Senator McClure. Even my apology may be taken as that. But some time we have got to stop this business of constantly bringing up a dead subject. It is just a needless use of our time and effort.

## INTEREST ON LATE PAYMENTS

Last year you requested proper authority and $800,000 to pay interest on late payments to States and Indian accounts as required under the provisions of the Federal Oil and Gas Royalty Management Act. Congress agreed that the legal authority was necessary. However, Congress rejected the request for additional funds because it was felt MMS would reduce errors in payments quicker if additional funds were not provided.

You are again requesting authority and funds for these interest payments. This year's justification, however, for these funds has been expanded to indicate that it is not always MMS's fault but that late payments can be partially attributed to a cash shortfall in the payor's cash account.

What percentage of these late payments are the fault of a shortfall within a payor's cash account or an error in MMS's data base?

Mr. BETTENBERG. I don't know the answer to that question.

Senator MCCLURE. If you don't have the answer readily at hand, could you provide it for the record?

Mr. BETTENBERG. We will have to provide that for the record.

[The information follows:]

## CAUSES FOR LATE PAYMENTS

The auditing and financial system [AFS] is not designed to track accrued interest for specific causes. However, based on a one-time special analysis, Minerals Management Service estimated that 13 percent of the projected fiscal year 1985 interest costs were due to cash shortfalls. Thus, 87 percent of the interest cost is a result of errors, either payor reporting errors or data base errors. (About 70 percent of total errors are payor-related and the other 30 percent are data base related).

MMS has made significant progress in reducing its overall errors and will continue to seek ways to reduce them further. For the quarter ending December 31, 1985, the overall royalty line rejection rate was 8.7 percent compared to 14.8 percent for the same quarter in fiscal year 1985. Data base-related errors have declined by more than one-half, despite an increase in the number of lines reported. In addition, payor-related errors have also declined. The following table presents a comparison of the difference in rejected lines and errors between the first quarters of fiscal year 1985 and 1986.

| | Quarter ending | | |
|---|---|---|---|
| | Dec. 31, 1984 | Dec. 31, 1985 | Percent change |
| Reported royalty lines | 454,926 | 564,715 | +24.1 |
| Royalty lines rejected | 67,130 | 48,834 | -27.3 |
| Percent rejected | 14.76 | 8.65 | -41.4 |
| Number of errors: | | | |
| Data base related[1] | 44,022 | 20,796 | -52.8 |
| Payor related | 50,351 | 47,072 | -6.5 |
| Total[2] | 94,373 | 67,868 | -28.1 |

[1] Includes errors that are lease related and other data base related.

[2] Total errors exceed total rejected lines because a single line can have multiple errors.

This improvement is attributable to improved communications with payors, payor retraining, and an assessment program whereby MMS bills payors for erroneous reporting. MMS is presently developing a more stringent penalty program which should help to further reduce payor-caused errors.

### FUNDING FOR INTEREST ON LATE PAYMENTS

Mr. BETTENBERG. If I could give you some explanation on that topic.

Senator McCLURE. Surely.

Mr. BETTENBERG. Let me cover it at two levels.

First of all, in our Royalty Management Program we have three budget lines each one of which is designed to earn the Government money, to get the money that is really due the Government. Each one of those is, in fact, functioning that way. If we have to pay interest out of the funds that we have, we reduce the amount we bring in.

I will give you some examples. If we take money away from our auditors, what we are looking at is an expenditure where we are spending $10 million a year roughly on compliance and last year made the taxpayers $85 million.

The other part of our budget is the computers that run our system and the accountants who interact with it, with the companies, with the States, and so forth. Those people are collecting some $450 million a month. When we take money away from there we have to take money away from activities at the tail end of that system, and those are often the activities that gain us the most money. So when we have to absorb this extra cost we are actually losing the taxpayer money.

Second, many of these payments that we make are beyond our control. A company reports in and perhaps sends in a check, but some of their lines are in error. We are not able to identify which specific tribe, which specific State this money is attributable to until we reconcile that with the company. The Treasury has that money in its pocket at that point, and in that sense you can say that the Government is earning interest on it or at least it doesn't have to borrow against it because of the way Treasury operates. But we are not able to get it to, say, the State of Wyoming.

What we are proposing here is a device which we think will work. First, it is an indefinite appropriation. It would be paid out of the 10 percent of the receipts remaining in the "Mineral lands" account. You will recall, 50 percent goes to the States, 40 percent to reclamation fund, and this is the other 10 percent, which is an available account that we could use. That would allow us to make those payments on a regular basis.

Last year we paid roughly $1.2 million in late payment interest. Of that amount, $72,000, as I recall, was compound interest because we had to pay so late in the year. This year the amount is down. In fact the budget estimate is probably larger than we would estimate today. Through the end of January we have accumulated a liability of something like $185,000. So I would estimate that probable cost this year will be between $500,000 and $550,000 rather than the original $800,000. We have had a very good experience in that over probably the last 7, 8, or 9 months.

So we are doing much better. But I assure you we are doing everything in our power to get the money not only in the door but back out the door to the States and tribes that are owed the money.

## ESTABLISHMENT OF AN INTEREST-BEARING SUSPENSE ACCOUNT

Senator McClure. One solution to the problem, which was rejected by MMS, was to establish an interest-bearing suspense account the interest from which would be used to pay late interest owed to the States. This proposal was rejected for various reasons, one of which was that it would require amending either FOGRMA or the Mineral Lands Leasing Act of 1920.

Since the act of 1920 requires all States to be paid 50 percent of the revenues from leasing on Federal lands shouldn't you be requesting an amendment to that act to pay States net rather than gross revenues rather than attempting to legislate in an appropriation bill?

Mr. Bettenberg. This could be handled either way. We would prefer not to make an interest-bearing account. The reason is that the interest we pay on late payments is higher than the interest that we could earn on an interest-bearing account. So again we would have to take money away from either our auditors or our collectors in order to pay the late payments.

Senator McClure. How about taking it out of the 10 percent establishing the fund?

Mr. Bettenberg. That is what we have proposed.

Senator McClure. But in an interest-bearing account, not just authorization to pay from it.

Mr. Bettenberg. An interest-bearing account even within the fund would still leave us short.

Senator McClure. But less short than you are now.

Mr. Bettenberg. Less short than we are now. But it would still leave us short, and if we are short, then we still have to go back and take the money from activities which are earning the taxpayer money. That is the point that I would want to make on it.

So far as the question of whether we are legislating on an appropriation act, we are requesting money; it's a device, I would have to admit, but it is not currently authorized, so in that sense we are plowing new authorization ground here.

Senator McClure. I will just file that away in my memory against the time we are criticized for legislating on appropriations.

Mr. Bettenberg. Certainly the Congress has legislated too many times on moratoria, but I understand your question.

Senator McClure. I would agree with you on that.

## INTEREST ON REFUNDS

Your justification indicates that MMS will propose legislation allowing the Secretary to pay interest on amounts that are paid by lessees and royalty payors which the Department later determines they did not owe and are refunded. Current regulations require the royalty payors who contest an assessment to pay the disputed amount pending administrative review. Existing law does not allow the Secretary to pay interest on those refunded amounts.

Why was this proposal made this year? Have the number of these refunds increased dramatically?

Mr. BETTENBERG. Yes; I wouldn't say that the amount we are refunding is dramatic, but the number of cases that we are considering is dramatic. We have got basically a problem of equity here. If a company underpays us, we go back and get interest at a penalty rate. If we think they underpaid us, our auditor reviews their accounts and thinks that they did, but they contest it, then we demand payment while the issue is being heard through the appeals process.

Companies have an appeal right, first to me, second to the Interior Board of Land Appeals, and finally to the courts. That process can take a number of years to run. Yet we have no authority if we are ultimately determined to be wrong to refund the amount that they have paid us with interest. So you can visualize somebody possibly taking 5 years to get this ultimately settled through the courts and having paid us $1 million and it is worth only $600,000 when they are through. So that is what we are trying to solve.

We have tried to hold to the policy that we want payment immediately because we are trying to encourage compliance. The inequities are so serious in this, however, that the Board of Land Appeals has ruled that we are going to have to start granting bonds in all cases, which means that when a company comes in, instead of paying us, we will grant them a bond to cover the amount. We think that that will encourage companies to not comply. We potentially can start ending up in the sort of situation where the mine safety business was maybe 10 or 15 years ago, or where the Office of Surface Mining was perhaps in the 1979–80 timeframe where everything gets appealed.

We have had a tremendous increase in appeals and that is because we have had a tremendous increase in our enforcement. We have a lot of very complex and subtle issues that are involved in collecting royalty. To a layman, you might think that figuring out a percentage of value is very simple, but you immediately discover that one-half of these minerals are sold amongst affiliated divisions of companies. They can move the profit center wherever they want. There are lots of difficult evaluation issues there and our auditors can make mistakes. So we think that it is appropriate and fair that we, in fact, get the legislation to remedy this.

## GORDA RIDGE POLYMETALLIC SULFIDES DRAFT ENVIRONMENTAL IMPACT STATEMENT

Senator MCCLURE. Last year MMS testified that a draft environmental impact statement [EIS] would be available by the end of fiscal year 1986 for the Gorda Ridge polymetallic sulfides projects. It is now my understanding that this has been delayed.

Can you explain the delay and what the current status is for this project?

Mr. BETTENBERG. Sure. Actually, we have the draft environmental impact statement out. That was done last year.

Excuse me. I am corrected on that. I guess I was visualizing it probably the first week of 1984 because I had just become Director when we signed that out.

We had been talking about getting a final environmental impact statement out. I think that we are probably not certain, based on the studies that we have done to date, that it is ripe to move to a final environmental impact statement because it is not clear that we will have a viable action if we complete that.

Senator McClure. So you have the draft EIS out?

Mr. Bettenberg. We actually have a draft EIS out.

Senator McClure. When was that completed?

Mr. Bettenberg. That was probably January 1984. If last year I spoke to an EIS coming out in the future, if I used the word draft, I misspoke. It was the final that we were visualizing coming out.

In terms of the current status of that, let me turn to Jack Rigg, our Associate Director for Offshore Minerals.

Mr. Rigg. Mr. Chairman, the task force that Secretary Clark and Governor Atiyeh established in 1984 just recently had a meeting up in Oregon and they have sent in recommendations to the Director here for some projects this summer to more closely delineate the occurrence of these polymetallic sulfides off the coast. They hope that the combined work of the Geological Survey, National Oceanic and Atmospheric Administration [NOAA], MMS, Oregon State University, and other interested and affected Federal and State agencies this summer will better tell us where to go next.

Senator McClure. You said they just recently had a meeting. That is not the only meeting they have had, is it?

Mr. Rigg. No; the task force meets at least twice a year to recommend what we do on this Gorda Ridge project.

Senator McClure. The draft EIS has been out now for how long?

Mr. Rigg. It actually was issued in December 1983.

Senator McClure. So it has been out 28 or 29 months?

Mr. Rigg. Yes.

Senator McClure. How long do they ordinarily stay out with task forces meeting twice a year?

Mr. Rigg. The draft EIS covered a 40 million acre part of the Pacific floor out there, and the first thing that Secretary Clark and the Governor did was to reduce it to 4 million.

Senator McClure. That should have speeded it up, not slowed it down.

Mr. Rigg. Yes; but then again we basically don't know whether we have a leasing program in Gorda Ridge or not. We just last year found the first sulfides down in Escanabne Trough by a geological survey and we have no concept at this time of either the size or the delineation of the ore body at all.

Senator McClure. Will we ever?

Mr. Bettenberg. Mr. Chairman, I think that our problem here is we may be premature with leasing in that area given that what we are talking about is manganese and given that no one has found what could be described as commercial quantities yet. We are not talking about a mineral in a shortage category. So that is the reason for the delay at this point.

### INDUSTRY INTEREST IN GORDA RIDGE

Senator McClure. There is no industry interest?

Mr. Rigg. There is interest in the Gorda Ridge. One of the problems is there is a lot of zinc out there and I do not think the zinc market is too firm right now.

Senator McClure. You know it isn't.

I am a little puzzled though, because there was a great deal of interest and the Department expressed a great deal of interest. Then we get into the process, and I suspect, if my memory is at all correct, one of the reasons industry is holding back is they don't know what kind of rules they are going to be faced with. Doesn't the promulgation of an EIS begin to tell them what the rules are and, therefore, tells them what the potential economics of a project may be? If you never provide any rules, how are they ever going to be able to put together any kind of proposal?

Mr. Bettenberg. We are working on a set of rules for offshore hardrock minerals that is comprehensive, that will cover all types of minerals. So we are establishing a regulatory framework for that.

Senator McClure. I understand that, but I am talking now about a specific mineral in a specific area, which you have already indicated has been narrowed down to only 4 million acres. It has to be a little frustrating, if they have any interest at all, not to be able to get any direction from you as to what it is you may expect from them.

Mr. Bettenberg. I have not been contacted by one company indicating that they are anxious to lease in that area. It may well be possible that we chose the wrong mineral in the wrong place to lead off the program.

Senator McClure. Certainly everyone knows the minerals markets are not very strong anywhere in the world today.

Mr. Bettenberg. There is a lot more interest, for instance, in the cobalt crust in the Hawaiian EEZ.

### IMPACT OF SEQUESTRATION OF FUNDS

Senator McClure. Since the Minerals Management Service is a revenue-producing agency it is in a somewhat unique situation. The sequestration of funds in accordance with the Deficit Control Act may actually cost the Government more than it saves.

I am not suggesting that MMS should be exempt from sequestration, but your budget indicates several reductions caused by sequestration that do more harm than good.

Do the committee's reprogramming procedures provide you with adequate flexibility to minimize the impact that sequestration has on revenues?

Mr. BETTENBERG. We have tried to minimize it, first within all the various elements in which we have to sequester funds. As the year goes along we will be looking for targets of opportunity to shift some funds into some activities that lose us money.

The difficulty that we have is that we run only two programs. Both of them make a lot of money for the Government. The first is the Offshore Leasing Program, and it was hit with a reduction in excess of $4 million, and the second is the Royalty Collection Program, and it has another couple million dollars. So that is difficult. We can't cross over lines to any other bureau. If we were a much larger bureau perhaps we would have more flexibility in our funds. But we can, in fact, through the reprogramming guidelines shift money amongst the various activities that we have.

Senator MCCLURE. I hope you will give us as much information as you can as early as you can, and I would specifically request, if it is possible for you to do so, that you concentrate on what has happened as a result of sequestration that affects revenues and whether or not there is going to be an attempt on your part to respond by reprogramming to those specific areas that reduce revenues.

Mr. BETTENBERG. I will do that. It is difficult to estimate the impacts, but our auditors just recently took a look at the impact on their program and simply based on historical rates of obtaining revenue per dollar spent, and so forth, indicated that they could visualize a possible impact of as much as $6 million.

Senator MCCLURE. Just on the basis of the March 1 sequestration?

Mr. BETTENBERG. Right. That is tied to the fact that our auditors typically need to travel to companies to do their audit work, and if we keep them in the office they are not very well employed. We don't want to reduce the number of auditors either, and so we have that dilemma of their having to watch each trip very carefully.

Senator MCCLURE. I would encourage you to not just retain personnel for the sake of keeping the numbers constant if they can't be utilized as effectively as transferring that salary into an activity.

Mr. BETTENBERG. I am not hiring any new auditors right now.

Senator MCCLURE. I know there is a tendency to constrict activities rather than release personnel, and that is a human reaction. I don't misunderstand that, but I think there have to be some very careful calculations, but in maintaining numbers you may deprive yourself of real activity.

Mr. BETTENBERG. In the offshore program I am, in fact, shedding people as rapidly as I can in some of our activities to make those savings, but in the royalty program each person represents dollars that we make as well as travel expenditures they require.

### ESTIMATES OF UNDISCOVERED ECONOMICALLY RECOVERABLE OIL AND GAS RESOURCES

Senator McClure. Early last year MMS released a report estimating the undiscovered economically recoverable oil and gas resources for the OCS. This analysis revised downward the previous U.S. Geological Survey estimates by 55 percent for oil and 44 percent for gas.

Can you explain what your responsibility is in compiling these estimates and how that differentiates with the Geological Survey's responsibility?

Mr. Bettenberg. Surely. We provided that report as part of our responsibility under the OCS Lands Act. It requires us to make those sorts of estimates on a periodic basis. We are the keeper of most of the data with regard to offshore resources. We have hundreds and hundreds of thousands of line miles of seismic data, so we have a tremendous wealth of data. We use the same data in making those estimates as we use for individual sales in doing fair market valuation analyses. So it is our responsibility to make those kinds of estimates on a regular basis.

Geological Survey makes similar kinds of estimates for the onshore areas with a lot less data since they don't have that sort of data. They also have a research role in the offshore areas. I think that they pioneered some of the interest in some of the basins in the Bering Sea, for instance, but they don't gather data in the rigorous sort of way that we do where we have to be able to eventually get down to tract evaluations.

Senator McClure. Do you anticipate there will be any relative change in responsibility during fiscal year 1987?

Mr. Bettenberg. No.

### COORDINATION WITH GEOLOGICAL SURVEY

Senator McClure. How was last year's MMS study and report coordinated with Geological Survey?

Mr. Bettenberg. The report itself was prepared using the data that we have, so it didn't require coordination in that sense. We have such a vast amount more information than they do.

I asked that the report be given to the Survey geologists before we published it because, amongst other things, it characterized a report that was done jointly by the Conservation Division and the Geologic Division in 1981 in terms of methodology. I thought that it was appropriate that since our people had participated in that at that time, as well as some people who stayed behind with the Geological Survey, who didn't come over with the Minerals Management Service when it was created, that that be reviewed, and they were satisfied with the explanation that was there.

Senator McClure. Did they respond to you formally?

Mr. Bettenberg. Not formally, no.

Senator McClure. But their response to you was that they had no quarrel with the results? I don't mean to put words in your mouth. I am just trying to understand. Did they agree with your revised report? Did they express disagreement?

Mr. BETTENBERG. We didn't ask them to agree with the results of the report. We take full responsibility for that.

Senator McCLURE. You didn't ask them to comment on it?

Mr. BETTENBERG. No.

Senator McCLURE. Would it have been constructive to have done so?

Mr. BETTENBERG. I think that they would not have had a very substantial basis on which to comment.

Senator McCLURE. That is prejudging. They might have thought they had some basis and they might have given you an opinion even though you thought it was invalid.

Mr. BETTENBERG. That is certainly true.

Senator McCLURE. They are well respected professionals in the field. Their opinion is apparently respected more outside the Department than it is inside the Department.

Mr. BETTENBERG. We respect their opinion too.

Senator McCLURE. But you didn't ask for it. You respected it so much you didn't want it.

Mr. BETTENBERG. Not on that particular report, but on a variety of other things we, in fact, certainly bring them in on it. Our task force at Gorda Ridge, for instance, and the Hawaiian area, we have sought and obtained their involvement in that.

Senator McCLURE. I am not sure that I am competent to say, nor am I attempting to say, that their opinion would have been worth either your effort or theirs, but it seems a little strange to me that there was no attempt to find out whether they would have differed or concurred or sharpened your focus or made a suggestion. Every once in a while I have somebody on my staff who even makes a worthwhile suggestion to me. Sometimes they force it on me; once in a while I even solicit it.

Mr. BETTENBERG. We have some 300 geologists that turn those sorts of estimates out on a routine basis sale by sale, tract by tract, and so forth. Under those circumstances I think what our resource evaluation people did was very reasonable.

Senator McCLURE. I have 1 million Idahoans who give me unsolicited advice and every once in a while one of them is right. And it is unsolicited.

Mr. BETTENBERG. At the same time we have the National Academy of Sciences looking at our methodology. They participate in that. We do a lot of work together on the OCS.

## OIL SPILL TRAJECTORY MODELS

Senator McCLURE. In 1984 the tanker *Puerto Rican* broke apart 3 days after explosions and fire ravaged the vessel. The stern sank and the bow was towed into the San Francisco Bay.

The Government has several computer models that attempt to predict the trajectory of an oil spill. In this case the computer model used was inaccurate and I am told that it hampered efforts to clean up the spill.

I know the computer model used was not MMS's computer model, but maybe you could explain to me the procedure used in deciding which model to use and what the circumstances were surrounding the cleanup of the *Puerto Rican.*

Mr. BETTENBERG. The responsibility for cleanup in those circumstances is the Coast Guard's. I am not familiar with precisely what sorts of models they have available, but they apparently were using in this case a model that had been prepared by NOAA in their response to that situation.

We had, in fact, a model which we consider to be state of the art which has been reviewed with them in times past.

Senator MCCLURE. Reviewed with whom?

Mr. BETTENBERG. With the Coast Guard. It forecast that if they sunk the portion that they sunk, where they sunk it, there was a 52-percent probability that the oil would head directly for the Farallon Islands.

Senator MCCLURE. Does the corollary hold that there was a 48-percent probability that it wouldn't?

Mr. BETTENBERG. Yes; the 52-percent probability toward one very small group of islands is a very high probability.

Senator MCCLURE. So it is not just the comparison between 52 and 48.

Mr. BETTENBERG. It is not like heading north or south.

The reason why you have to deal with probabilities is that your model is based on currents which don't always run in the same place on the same day each year but generally run in the same general places. But then, in addition, on which way the wind is blowing. The wind is much more variable, and that is where your probabilities come in. If it were a matter strictly of current at that point it probably would immediately head for the Farallon Islands at that time of year, just go that direction.

We have had discussions with the Coast Guard on their use of our model. I guess I don't know what the disposition of that is as far as the Coast Guard is concerned, and certainly we don't have models in that kind of detail for all parts of the country.

Senator MCCLURE. Did they ask you at that particular time?

Mr. BETTENBERG. No.

Senator MCCLURE. Did you contact them at that particular time?

Mr. BETTENBERG. Not to the best of my knowledge.

Senator MCCLURE. Is the Department contemplating recommending any changes in this procedure in the new 5-year plan?

Mr. BETTENBERG. So far as oil spills are concerned, the 5-year plan is not something that would cover that topic. But we clearly need to work more closely with the Coast Guard in terms of making sure that they are aware of what is on the shelf that they can use.

Senator MCCLURE. I am sure you are aware of the skepticism, which is charitable, and cynicism, which is perhaps more accurate, reflected in the attitude of the coastal communities with respect to the ability of the Federal Government to react responsibly. While this may not be a part of the 5-year plan, it is certainly a part of the public's perception of what you are doing out there. Isn't that correct?

Mr. BETTENBERG. It certainly is. From an offshore leasing standpoint, we have an excellent record in California.

Senator MCCLURE. You and I understand the difference, but oil is oil to some and an oily bird is an oily bird, and it is all your fault no matter where it came from.

Mr. BETTENBERG. It certainly is. In this case they were hauling a refined product as well, which is much more toxic than crude oil. They were a very long way away from where California Clean Seas operates pursuant to our requirements and to the Coast Guard requirements. Had you had development in that area of the type that you have in the Santa Barbara Channel you would have had a whole fleet available to attack the spill.

Senator MCCLURE. All you have to do is convince them now that if you had just been permitted to drill out there you wouldn't have had any problem with that oil spill.

Mr. BETTENBERG. That is difficult to do.

Senator MCCLURE. Is that what you are telling me?

Mr. BETTENBERG. I can't tell you that. Cleaning up oil on the high seas is a difficult matter in any situation.

Senator MCCLURE. It is a difficult matter, but the public perceptions and public information are even more difficult.

Mr. BETTENBERG. I agree.

## COORDINATION WITH OTHER FEDERAL AGENCIES

Senator MCCLURE. That is why I would suggest that even though it may not be required in a 5-year plan the coordination of Federal activities under several different Federal agencies might well be an absolutely imperative necessity if you expect a 5-year plan to be developed at all.

Mr. BETTENBERG. What I am telling you is that the 5-year plan is the wrong vehicle for that. The 5-year plan is designed to do only three things: locate the size, timing, and location of sales. Apart from that, we have a tremendous variety of things going on all the time, including coordination with the Coast Guard.

Senator MCCLURE. I understand that. But the thing that the public sees is that you have got a 5-year plan and you are going to start doing something. If you can heighten the visility in the midst of that of what you are going to be doing in the other Federal activities, any way of giving them greater assurance about what you are going to be doing with the 5-year plan, I think it would help them understand and perhaps be more readily acceptable to them, the activities under the 5-year plan.

I understand that it is easy to compartmentalize those actions with respect to responsibilities, programs, and responses in the Federal agencies, both your own individually and across agency or subagency groups. The public looks at the totality. As is clear, they don't even know that the request for information is a separate step in a process. They only see it as being something that leads to drilling, and if you start the request for information, you are going to have drilling.

Mr. BETTENBERG. They expect to see the rigs next week.

Senator McCLURE. Well, that is what you plan, isn't it? You see, that's the kind of response. If you have a request for information they want to know what you are going to do about oil spills, because they are looking forward to the ultimate problem, not just to all the interim steps. The more assurance you can give them at each stage of that, that indeed when you get to things like that you have an adequate response mechanism, I think the more acceptable it is. Or perhaps in the converse the less adverse reaction you have to the interim steps. That makes your job more difficult.

You know, if you want any activities you have got to convince the public you can handle them. If you can't convince the public you can handle them, you don't have to worry about the activities; you won't have to have a response plan for drilling if you don't have any drilling.

I think the public is more than just skeptical about you and about me. I think they look at something like this and the *Puerto Rican* and they say, hey, wait a minute, the Coast Guard did a lousy job, didn't they? And you can sit there and say, yeah, the Coast Guard might have been wiser to ask us; we knew more than the people they did ask. That's internal. The public looks at you, the Coast Guard, NOAA, all interchangeably as one part of one Government, right or wrong, and if somebody else fouls up it fouls you up. They don't differentiate. I don't blame them. They are not as capable of making differentiation as you and I are.

Mr. BETTENBERG. I understand.

Senator McCLURE. If you foul up they blame us. If we foul up they blame you.

## ADDITIONAL COMMITTEE QUESTIONS

Thank you very much for your testimony. I have some additional questions which I will submit for the record for response in writing, and other members of the committee may also have questions. I will ask that if they have questions for response in writing they be submitted by close of business on tomorrow.

Thank you very much.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

### Consolidation of Headquarters Offices

1. Question: You are proposing an $833,000 increase for expenses related to the consolidation of MMS's five separate Washington, D.C., metropolitan area offices into one. After the initial costs associated with this move are absorbed, what will be the annual savings?

Answer: The estimated annual savings after consolidation are $228,000. This is the result of the following:

| | |
|---|---|
| Costs associated with local travel by POV and shuttle--including lost productivity time..... | $121,000 |
| Expenses for Government vehicles that will no longer be necessary--(2 vehicles and leased parking space).............................. | 15,000 |
| Mail service contract for mail delivery between the five MMS locations...................... | 46,000 |
| Termination of reimbursable agreement with USGS (library, shipping and receiving, and mail operations)................................ | 46,000 |
| Total.................................... | $228,000 |

These annual savings may be offset by increased rent costs of the consolidated space when they become known. Such increased costs could result because of higher rent and additional space for library and storage that are currently shared with the U.S. Geological Survey.

2. Question: Is there a reason you waited until this fiscal year to make this proposal?

Answer: MMS did not wait until FY 1987 to make its initial proposal for a consolidation. The consolidation was part of the original plan of the reorganization, and the initial consolidation proposal was forwarded in July 1982. However, the space offered was not cost effective considering the estimated costs in relocating employees and the expected loss of employees which would adversely effect the operating programs.

3. Question: Were other program reductions required elsewhere in order to accommodate this increase?

Answer: No other program reductions were necessary to accommodate this increase.

4. Question: What impact, if any, did the relocation of Royalty Management from Washington, D.C., to Lakewood, Colorado, have on this consolidation?

Answer: The relocation of Royalty Management from Washington, D.C., to Lakewood, Colorado, had no impact on this consolidation.

### Technology Assessment and Research Program

5. Question: You are proposing a decrease of $300,000 by reducing the range of topics addressed in the Technology Assessment and Research Program. Can you describe what topics will be eliminated?

Answer: All three technology areas--blow-out prevention, structures verification, and oil spill containment and clean-up --will be reduced in scope and extended in duration. In addition, expensive field studies, such as the measurement of sub-sea earthquake loadings on platforms will be deferred.

### Outer Continental Shelf Information Products

6. Question: You are also proposing a $300,000 reduction that will be accomplished by reducing the number of information products. What products will be eliminated?

Answer: The reduction will be accomplished by consolidating the information contained in the regional Summary Reports and regional Indexes into a combined document, thereby reducing the number of documents published from 12 to 4 documents per year--one for each region. Until recently, the program published 3 Summary Reports each for the Alaska and the Atlantic Regions--the Arctic, Bering, and Gulf of Alaska Summary Reports for the Alaska Region; and the North, South and Mid-Atlantic Summary reports for the Atlantic Region. These documents were consolidated in 1985 into single regional summaries. The further consolidation of the Summary Reports and Indexes into single regional documents will reduce printing and handling costs. The reformatted consolidated documents will reduce the total number of pages produced per year by a significant amount.

### Royalty-In-Kind

7. Question: I am pleased to note that, at the request of Congress, you have imposed an administrative fee to the buyers of the Royalty-In-Kind. Can you describe the elements of this administrative fee?

Answer: Existing regulations allow for the imposition of an administrative fee for the Royalty-In-Kind Program (RIK) to cover the cost of program operation. The administrative fee applies to current contracts that have been extended after July 1, 1985, and will apply to all new Royalty-In-Kind contracts in the future. The administrative fee is calculated by dividing the monthly administrative costs of the RIK Program by the number of leases under contract during that month. The calculation of a new fee each month allows recovery of the actual costs and should eliminate any future problems related to over or under recovery of Royalty-In-Kind administrative costs. After the fee is applied to each lease under contract, the refiners are billed monthly by the Payor Accounting Branch.

8. Question: How has industry reacted to this fee?

Answer: MMS has been billing the administrative fee since September 1985 (for July 1985 RIK entitlements). After attending several meetings and having numerous telephone conversations with refiners, MMS has not received a negative comment from them concerning the fee. The refiners are aware that the fee is necessary to keep the RIK Program going.

### OCS Mapping Systems

9. Question: As part of MMS's compliance with the Deficit Control Act of 1985, Automated Data processing enhancements of mapping systems and replacement of antiquated ADP equipment will be delayed. What is the impact of this delay and how long is it anticipated to last?

Answer: The delay will decrease the number of stratigraphic traps analyses which are needed to make resource evaluations and do mathematical modeling. Stratigraphic traps, because of their physical dimensions are usually more difficult to recognize than structural traps and thus require more use of ADP analyses. The impact of delay is expected to last 3 or more years.

### Proposed Modifications in the OCS Leasing Process

10. Question: Your justification indicates that as part of your new 5-year program, modifications and or supplemental steps in the OCS leasing process may be added for specific sales because of conditions specific to those sales. What changes are you looking into and what specific conditions would be necessary before those changes are proposed or implemented?

Answer: The Proposed Program contains three flexibility features: supplemental sales; the acceleration provision; and frontier exploration sales.

Supplemental sales on an annual basis are included in the Proposed Program for a small number of blocks in areas other than the Central and Western Gulf of Mexico in either of the following categories: 1) Blocks on which bids were rejected in the preceding year (i.e., the year preceding the one in which the supplemental sale is scheduled by the 5-year program); or 2) drainage and development blocks. The reoffering of rejected bid blocks would diminish the cost of delay of leasing blocks demonstrated to be of interest to industry. This provision would also reintroduce the concept of drainage sales on a basis compatible with the requirements of the OCS Lands Act Amendments of 1978, and similar to procedures of the State of Alaska (set forth in Alaska Statutes 38.05.180 (d)). These blocks will only be offered after compliance with the requirements of the National Environmental Policy Act, the OCS Lands Act, and other applicable statutes. The environmental assessment documentation for each of these sales would be released prior to the proposed Notice of Sale. If it is determined that an EIS is required for one or more blocks to be offered in one of these sales, revised presale milestones would be issued. Opportunities for consultation with affected parties are provided throughout the presale process for these sales, including the Call for Information and Nominations, the issuance of the Environmental Assessment, and the issuance of the Proposed Notice of Sale.

The acceleration provision would permit the acceleration of leasing from triennial to biennial, if carefully defined criteria are met (but not to increase the total number of sales in any planning area in the approved program). The areas where such acceleration could be considered include: Southern, Northern, and Central California; Eastern Gulf of Mexico; Navarin Basin; Beaufort Sea; North Aleutian Basin; and St. George Basin. The question of whether to accelerate a sale in an area would be made on a sale-by-sale basis. Consideration of accelerating a particular sale would be initiated by any one of four criteria: 1) a finding by the Secretary that a new discovery in a planning area indicates that biennial leasing there is in the national interest; 2) activation of the International Energy Agency's oil sharing agreement; 3) drawdown of the Strategic Petroleum Reserve because of a severe oil supply disruption; or 4) a major disruption in Mideast oil shipments. Comments on other possible economic criteria in particular are solicited in the Federal Register Notice announcing the Proposed Program. A decision by the Secretary that acceleration is appropriate would be based on close consultation with affected States and consideration of the Nation's energy needs, environmental factors (including the results of the Environmental Studies Program), and multiple-use factors. The purpose of including the acceleration provision in an approved leasing program is so that its exercise would be the implementation of part of the program approved pursuant to section 18, rather than a significant revision of it.

Frontier exploration sales are proposed for areas where incomplete geological data, MMS estimates of lower value, or current industry indications of lower interest call for an early decision point on whether to proceed with the standard presale process. For these sales, a Request for Interest soliciting industry interest in holding the sale will be published in the Federal Register approximately 4 months prior to the Call. Responses to that request, as well as the annual review of the program under section 18(e), will be used to help determine whether to proceed with the presale process. If interest is insufficient to justify proceeding with the sale, it can be delayed or cancelled. If delayed, a Request for Interest can then be reissued on an annual or less frequent basis until interest is determined to be sufficient to hold the sale or the sale is cancelled. Ten frontier exploration sales are proposed: two in the North Atlantic and one in the Mid-Atlantic, the South Atlantic, Washington-Oregon, and the same five Alaska areas where such sales were scheduled in the Draft Proposed Program (Shumagin, Kodiak, Cook Inlet, Gulf of Alaska, and Hope Basin).

## Interest on Late Payments

11. Question: Yesterday, I received a letter from you indicating that since funds were not included in last year's appropriations bill, interest payments will not be made until the Fiscal Year 1986 Supplemental Appropriations Bill is enacted. Of course, that assumes that Congress will go along with this request and provide the funds. By not making the proper interest payments, aren't you operating outside the scope of FOGRMA?

Answer: The Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) authorizes the Government to make payments of interest to States and Indian accounts when Federal onshore mineral leasing revenues due them are not disbursed within the timeframes prescribed by the Act. However, FOGRMA does not provide funding to make these interest payments. As a result, MMS must either seek an appropriation or reprogram from within available funds to address this requirement.

12. Question: If Congress only provides the proper authority and no funds again this year, where will MMS find the necessary funds?

Answer: If the Congress provides no funds for interest on late payments, MMS would study the possibility of reprogramming from funds appropriated for other purposes. Due to previous reductions enacted as part of the Continuing Resolution and mandated by the Balanced Budget and Emergency Deficit Control Act, MMS has exhausted most other alternatives and has little flexibility to reprogram further from within available funds. Redirecting resources from other areas in MMS programs will: (1) Further reduce revenue collections; (2) decrease activities which will cause problems leading to increased interest liability; or (3) reduce other programs to a level that would impair effectiveness and jeopardize functions mandated under the OCS Lands Act, as amended.

13. Question: How will the new AFS computer system help reduce errors in the MMS data base?

Answer: The new AFS computer system will not by itself reduce errors in the MMS data base. The additional capacity that the new system offers, however, will provide for increased efficiencies and new capabilities that we believe will contribute to and result in a more accurate data base. Specifically, these include such things as:

- increased online access time for users, allowing more time for data base updates;
- better system response time, allowing for more user productivity;
- enhanced capability for developing management information reports to analyze the status of the data base;
- enhanced capability for developing system edits for automated screening of data to reduce our current dependency on manual screening;
- increased accuracies and efficiencies by eliminating our currently required practice of resynchronizing multiple data bases; and
- potential for future consolidation of multiple systems' data bases (AFS, PAAS, BRASS) into a single data base to minimize data inconsistencies.

14. Question: If MMS's error rate is decreasing, why are you requesting $800,000 again this year?

Answer: The MMS error rate has in fact continued to decline, which has helped reduce the interest liability. During

FY 1985, the actual interest liability was $1,154,000. For FY 1986, the budgeted amount of $800,000 represents a 31 percent decrease. Through the first 4 months of FY 1986, MMS has accrued $182,000 in interest charges. However, it is not possible to precisely predict interest charges, particularly in the case of company reporting errors which cause delayed disbursements. For example, FY 1985 interest costs ranged from a quarterly low of $153,000 to a high of $445,000. Therefore, the amount estimated is intended to cover such variations and is based both on historical experience and current year operating improvements.

It is important to note that although the error rates have declined, errors cannot be totally eliminated. As long as MMS must rely on external input (from royalty payors and other Federal agencies) to correct errors, then all errors cannot be corrected before monthly disbursement to States are made. With respect to Indian accounts, late payment interest can be avoided only if payment is made in the same month as the month of collection. Since most collections are received during the last 3 days of the month and 3 to 5 days are required to transfer Indian monies to BIA, the accural of interest liability is highly likely.

### Interest on Refunds Due to Appeals

15. Question: Will the new AFS computer system improve the process by which assessments are paid and then successfully appealed?

Answer: The new computer system will not affect the process by which assessments are paid and then appealed or the process by which interest would be calculated and paid to successful appellants. This is primarily a policy and equity issue rather than a major workload issue which could be addressed through improved automation. The new computer system will, however, allow for full implementation of exception processing, which could increase the number of assessments and, presumably, the number of appeals.

### Strategic and International Minerals

16. Question: The Office of Strategic and International Minerals (OSIM) was established in August of 1983. Its purpose is to develop the leasing and regulatory programs required under the OCS Lands Act and encourage the formation of a domestic offshore mining industry capable of reducing the United States' dependency on foreign sources of strategic materials. Program funding since has dropped from $2.1 million in FY 1985 to a proposed level of $1.4 million in FY 1987. I understand that this office is new, but without adequate funding this industry will also remain new and our dependence on foreign sources of minerals will not change. Is this new industry slow to form because MMS is not active enough or is MMS active enough and industry simply hasn't seen the benefits?

Answer: The MMS is developing the nonenergy minerals leasing program on the Outer Continental Shelf/Exclusive Economic Zone (OCS/EEZ) on a case-by-case basis, utilizing formal expressions of industry interest, discoveries of minerals occurrence by researchers, and the national need for a domestic source of strategic minerals. To date, MMS has received industry expressions of interest for various offshore minerals commodities or in the development of the regulatory framework from over 50 companies. In fact, we have issued two prelease exploration permits for heavy metal placers in the Atlantic offshore area and are processing applications for two more.

MMS's leasing proposals include cobalt-rich manganese crusts offshore Hawaii and Johnston Island, where the environmental impact statement is scheduled to be released later this calendar year, and at the Gorda Ridge offshore Oregon and California, where resource assessment activities for polymetallic sulfides are continuing. These active proposals, being pursued under the Joint Federal/State task force concept to provide for early and continued consultation with State and local government, other Federal agencies, academia, industry, and the general public, are in response to the national need to reduce import dependency for strategic metals such as cobalt, manganese, nickel, platinum, etc. Other FY 1987 proposed leasing opportunities include Atlantic offshore phosphorites and heavy metal placers. A joint Federal/State task force regarding offshore phosphorites has recently been formed with North Carolina. Adjacent Atlantic Coast States are expected to participate as advisors.

The leasing and development of these offshore minerals will be considered upon the completion of the regulatory framework concurrently being promulgated under the Outer Continental Shelf Lands Act. This sequential promulgation of prospecting, leasing, and operating regulations is scheduled for completion in 1988.

The MMS nonenergy minerals program has been and is quite active in the development of leasing opportunities for the offshore mining industry. We expect that the finalization of the regulatory framework providing a stable investment environment, as well as improved market conditions, will result in increased industry support for the program.

17. Question: What are the FY 1987 plans for the program?

Answer: As well as continuing with the promulgation of the regulatory framework for nonenergy minerals on the OCS/EEZ, the development of leasing opportunities will expand. The Hawaii lease sale environmental impact statement is expected to be completed in FY 1987 and plans will be finalized for a cobalt-rich manganese crust lease sale in FY 1987-88, assuming that all necessary regulations are in effect. The Gorda Ridge effort for strategic metals may be de-emphasized until market conditions improve.

New initiatives proposed for FY 1987 include the funding of resource and environmental studies for phosphorites offshore North Carolina through the recently established Joint Federal/State Task Force, and possibly heavy metal placers in the Atlantic offshore region, with site specificity yet undetermined. The recent broad interest in construction materials, such as sand and gravel, provides another initiative in both the Atlantic and Pacific offshore areas as well as remaining a possible source for beach replenishment as needed.

18. Question: Could MMS effectively utilize more funds for this program?

Answer: Probably not yet. No company has yet indicated a concrete desire to proceed to a lease sale. At such time as that occurs, funds would be necessary for EIS preparation and resource evaluations.

No decision has been made by the Secretary to hold non-energy minerals lease sales, either in Hawaii or at Gorda Ridge where environmental and resource investigations relative to mining feasibility have been underway for several years. Nor has a decision been made for offshore North Carolina, where the Task Force has just recently been announced and feasibility studies are in the early stages of formulation. I believe this orderly approach to investigating offshore mining opportunities in coordination with the adjacent States and consistent with existing laws, while concurrently promulgating a regulatory framework with full consultative rights to the industry is an efficient way to meet our responsibities and maintain public confidence.

## Review of Royalty Management Systems and Practices

19. Question: Because of the Deficit Control Act of 1985, MMS has scaled back a contract with a major accounting firm to review the Royalty Management Program's financial systems and practices for conformity with generally accepted accounting principles and standards. This contract was originally budgeted for $250,000 but has been reduced to $100,000. What was in the original plan that will not be included since the plan has been abbreviated?

Answer: MMS will request the contractor to survey and make recommendations on the Royalty Management Program's Auditing and Financial System (AFS) and the Bonus and Rental Accounting Support System (BRASS). Specifically, the contractor will be asked to: (1) Evaluate the effectiveness of front end processing controls from the perspective of both revenue control and speed of fund distribution, and (2) make suggestions as to system or procedural improvements or redesign, as appropriate.

The original plan for the contract included a comprehensive survey of AFS and BRASS, tracing rent and royalty processing through the entire systems. The abbreviated scope will focus on the cash management modules within these systems.

## General Support Services

20. Question: Your justification states that, in an effort to comply with the Deficit Control Act of 1985, fixed costs funded by the General Support Services will be accommodated by charging other areas of the MMS budget in Fiscal Year 1986. Can you explain what the "further negative impact" is on the program, and what effect this will have on future funding requirements?

Answer: The General Support Services subactivity is comprised of funding for fixed and other operational costs of the MMS. This includes such costs as the rental of space; communications; postage; reimbursable services that are provided by other bureaus, such as payroll; employees' compensation; and unemployment compensation. All of these costs are for services needed to support the operating programs in achieving their goals and objectives. Therefore, a reduction of $421,000 in this subactivity will result in a shortfall in funds available for these costs, which are essentially fixed and a part of base program support. An equitable distribution to the operating programs to cover this one-time FY 1986 shortfall in fixed and other operational costs may be the only way to meet these costs. Such action would come from the redirection of mission funds which had been budgeted for program activities. Redirections would have negative programmatic impacts since the operating programs have already been subject to the initial 4.3 percent reduction in FY 1986. Program plans will need to be altered and to the extent this is required, program operations may also be altered.

Final decisions cannot be made until a full review of resources available and program requirements is completed at midyear.

### Royalty Management Exception Processing

21. Question: Through exception processing, MMS compares what a payor reports and pays to what the system expects the payor to report and pay. When a discrepancy is found this analysis is followed up with a billing procedure. In your justification you project that exception processing could result in net revenue increases in the range of $11.1 million in Fiscal Year 1986 and $14.8 million in Fiscal Year 1987. In an effort to comply with the Deficit Control Act of 1985, your justification indicates that the contractual support for exception processing can be decreased. Do you have an idea how much this support might be decreased and the negative impact that decrease would have on revenues generated from exception processing?

Answer: The exception processing contractual level has been reduced from $1.7 million to $1.1 million. Of the total $0.6 million decrease, $0.5 million is the result of reductions mandated in the Balanced Budget and Emergency Deficit Control Act of 1985 and $0.1 million is the reduction taken as a result of the across-the-board cuts applied in conjunction with the Continuing Resolution. When the $1.7 million was requested in the FY 1986 Budget Amendment for the Minerals Management Service, the intent was to provide funding for a full year of contract support for exception processing. The increase in net revenues projected as a result of that contract were estimated to be $18.4 million based on the assumption that the contract would be implemented throughout the fiscal year. As a result of these reductions and the 4 to 6 months' start-up delay caused by FY 1986 budget uncertainties, the estimated increase in net revenues has been revised downward to $11.1 million, as reflected in the FY 1987 budget.

### Production Accounting and Auditing System

22. Question: MMS brought on the Production Accounting and Auditing System (PAAS) as a pilot program in January 1984. One of the purposes was to compare production volumes against sales data and identify exceptions which may indicate unpaid royalties. Some, but not all, the groups have been brought onto the system and this effort has yielded over $5 million in additional royalty collections. A 2-year pilot program

is fairly extensive. When will the conversion of the remaining onshore Federal and Indian leases take place?

Answer: The pilot program provided a valuable tool during the final design phase of PAAS. The experience gained during the program was used to improve the reporting requirements of industry and to refine the system to better meet the missions of PAAS, including that of comparing production with sales. However, even with the extensive pilot experience, there were concerns expressed within the Department that PAAS had not sufficiently proven its worth as a means of increasing royalty payments. The Department, therefore, decided to conduct a study of the feasibility and cost effectiveness of converting the remaining onshore Federal and Indian leases onto the PAAS. A study team, which reports to the Assistant Secretary for Land and Minerals, was established consisting of individuals from MMS, BIA, BLM, OSM. The study team will coordinate with the Royalty Management Advisory Committee's working panel on PAAS onshore conversion. The study team will issue a report with its recommendation to the Department this summer. It is anticipated that the working panel will have its recommendation in time to allow a decision as to the future of PAAS by the end of this year.

23. Question: What has been the holdup in this conversion?

Answer: The Department directed a study be performed on whether or not additional onshore Federal and Indian leases should be converted. The concerns being reviewed by the study team include such areas as the extent of burden on industry in reporting under the PAAS system; the possibility that PAAS may have exceeded its original mandate to account for production at the well (PAAS currently tracks production to the point of royalty determination); and a general concern that the additional royalties generated as a result of comparing production with sales might not be sufficient to offset the cost of PAAS. In early FY 1985 the PAAS pilot had only identified $189,000 and had collected nothing. To date, as a result of PAAS, RMP has actually collected $5 million in additional royalties. With the anticipated completion by this summer of the reviews and studies being performed on the future of PAAS conversion, a decision should be made by the end of the year.

24. Question: Is there adequate computer capacity to complete this conversion?

Answer: Under any scenario being considered for the conversion of the remaining onshore Federal and Indian leases to PAAS, adequate computer capacity exists. No significant conversion effort would take place until after the AFS has moved from the minicomputers to the new mainframe computer. There will then be sufficient computer capacity to complete any conversion effort that the Department may choose to implement.

### Product Value Regulations

25. Question: Royalty payments due are determined by the value of the commodity produced and the level of production reported

on the lease. In the past, the product value set by industry was usually accepted as fair market value, and was normally the sales price. Because of varying complexities, MMS is proposing to change this practice and new product value regulations for all major royalty bearing products are under development. Can you explain these complexities and how MMS will propose to change the regulations?

Answer: Oil Regulations - Under current regulations, the Secretary has the option of establishing royalty value based on the price received by the lessee, highest posted price, prices being received for like quality production from the same field or area, etc. In general it has been and is MMS practice to base royalty on the price received by the lessee (generally posted prices). In the absence of posted prices, specific guidelines have not been available to industry, nor have consistent procedures been followed by MMS or its predecessor agency in establishing value for royalty purposes.

Gas Valuation Regulations - The lack of clear, uniformly consistent gas regulations has been the most serious valuation problem. The current regulations covering gas valuation are very general and do not provide adequate guidance to industry. Royalty valuation procedures for onshore gas, as required under Notice to Lessees Number 5 (NTL-5) are complex, difficult to apply, and inequitable in periods of falling prices such as are now occurring. Specific gas valuation problems with NTL-5 are as follows:

(1) In computing royalties for deregulated gas, lessees do not have access to other producers' price data which are necessary to compute a majority price when valuing the field or area. MMS does not have access to prices from non-Federal leases.

(2) Lessees could conceivably be required to base royalty on a price significantly greater than what they actually received for the sale of their gas.

(3) NTL-5 does not recognize market-out provisions during periods of falling prices. A market-out provision permits a buyer to reduce the contract price for gas to conform to market conditions.

Processing Allowance Regulations - Authority for granting gas processing allowances is provided in both onshore and offshore valuation regulations. However, a different procedure is used in computing offshore allowances than is used for computing onshore allowances. The offshore allowance procedure is much more generous than the onshore method.

Transportation Allowance Regulations - Authority for granting transportation allowances, both onshore and offshore, is given in existing regulations under "other relevant matters." Specific guidelines are available for computing onshore transportation allowances; however, none exist for computing offshore transportation allowances.

Proposed Regulations - The new regulations will be uniform and consistent and will be easier to administer for both industry and the Federal Government. Under the new regulations, lease production will be valued, for royalty purposes, based on prices received under arm's-length contracts. In the absence of arm's-length contracts, ordered valuation criteria will be applied. Uniform and consistent regulations for applying for processing and transportation allowances for production from both onshore and offshore will be implemented. These regulations will provide for accepting, as the allowance, costs incurred by the lessee under the arm's-length contract. In the absence of an arm's-length contract, the allowance will be based on the lessee's reasonable actual costs incurred in processing and/or transporting the royalty portion of lease production.

## Estimates of OCS Oil and Gas Resources

26. Question: Early last year, MMS released a report estimating the undiscovered economically recoverable oil and gas resources for the OCS. This analysis revised downward the previous USGS estimates by 55 percent for oil and 44 percent for gas. Were different resource assessment methodologies used by MMS and the Geological Survey. If so, why?

Answer: In mid-1985, the MMS published OCS Report Number MMS-85-0012 entitled "Estimates of Undiscovered, Economically Recoverable Oil and Gas Resources for the Outer Continental Shelf as of July 1984." This project was initiated in 1983 to determine estimates of potential resources for various areas of the OCS which could be considered for leasing by the Department during the upcoming 5-year period. The results of this project reflected a significant decrease in the amounts of undiscovered, economically recoverable oil and gas resources since a similar study by the USGS was published in 1981.

These results have received considerable attention from the various entities associated with controversial OCS oil and gas issues, including Congress, other Federal agencies, the oil and gas industry and related service industries, environmental organizations, and the general public. There have been numerous inquiries regarding the reasons for the decline in resource estimates from all of these parties. Our responses have generally cited the following factors:

1. Availability and use of proprietary data by MMS;
2. Economic scenarios at the time of the MMS study were less speculative,
3. The timeframe for the MMS study incorporated additional data available since USGS study was completed; and
4. The methodology used by MMS was more data-intensive than the USGS methodology.

In addressing the differences in methodology, for Circulars 725 (Geological Estimates of Undiscovered Recoverable Oil and Gas Resources in the United States, 1975) and 860 (Estimates of Undiscovered Recoverable Conventional Resources of Oil and Gas in the United States, 1981), USGS used a modified Delphi approach to estimate basinwide resources. This approach relies heavily on the subjective interpretations of the evaluators.

The results are presented as a range of values, but estimates are not documented or reproducible, and only blanket economic cutoffs are possible.

The generation of resource estimates by the MMS is adjunctive to the overall MMS responsibility of assuring that the Government receives "fair market value" for the leasing of oil and gas resources on offshore lands. Hence, the MMS methodology was designed to work "from the bottom up;" that is, regional resource estimates are derived from the statistical aggregation of resources associated with basins within the region, and basin resource estimates are derived from the statistical aggregation of resources associated with individual prospects. Ultimately, the geological and geophysical analysis supporting the prospect specific "resource estimates" identified at this point receive a great deal of refinement and additional study to form a basic component in the determination of bid adequacy by MMS decisionmakers at subsequent lease sales.

Hence, the resource assessment methodology used by MMS must be:

1. Prospect-specific, allowing areas or tracts to be added or deleted, then reassessed;

2. Reproducible, allowing estimates to be updated as new information becomes available, and

3. Flexible, to accommodate a range of areas from frontier to mature leasing areas.

The MMS uses a prospect summation approach. A computer program named PRESTO (Probablistic Resource ESTimates - Offshore) is used to model geologic prospects in an area. Ranges of values for geologic and engineering variables in the model are estimated by subject-matter specialists. The most recent MMS assessment incorporated information from approximately 850,000 line miles of seismic data and data from over 20,000 wells. This required the efforts of literally hundreds of MMS geologists, geophysicists, and petroleum engineers. This is an evolutionary process, with data being collected, analyzed, and updated over a period of years. Output from the program includes a range of possible answers with associated probabilities of occurrence.

In acknowledgement of the differences in resource estimates resulting from the recent MMS project, the MMS has contracted with the National Academy of Sciences to:

1. Review methodology used by MMS;

2. Assess other methodologies;

3. Determine appropriateness of MMS techniques to its needs; and

4. Recommend improvements or changes if necessary.

A final report will be available by mid-April of 1986.

## QUESTIONS SUBMITTED BY SENATOR DALE BUMPERS

### Royalty Management

1. Question: What effect will the reduction in the systems development and operations subactivity in the Royalty Management Program (RMP) have on the ability of the Minerals Management Service (MMS) to collect, process, and release payments to the States?

Answer: The FY 1987 reductions in the systems development and operations subactivity will have no impact on the ability of the MMS to collect, process, and release payments to the States. These reductions relate to nonrecurring FY 1986 costs associated with the initial operation of the Auditing and Financial System (AFS) on the new mainframe computer and with the development and implementation of the State and Tribal Support System (STATSS).

-- During FY 1986, RMP is utilizing three contractors to operate and maintain its automated systems. These contractors operate the three RMP systems on a total of six mini-computers plus a mainframe computer. In FY 1987, with the reimplementation of the AFS completed, RMP will eliminate the need to operate and maintain the AFS on the minicomputers. The net savings from this streamlining is anticipated to be $1.5 million in operations and maintenance costs.

-- The FY 1986 leasing costs of the new mainframe computer are estimated to be $3.5 million, while in FY 1987 these costs are projected to decrease to $3.3 million. The decrease of $200,000 is scheduled in FY 1987 as part of the 5-year lease purchase agreement for the mainframe computer and related equipment.

-- In FY 1986, the RMP is designing, developing, and installing STATSS, a remote access system to enable States and Indians to obtain MMS automated data. As a result of nonrecurring costs for initial design and equipment purchases, a savings of $500,000 is possible in FY 1987.

### Payments to States

2. Question: How is the Department interpreting the provisions of Gramm-Rudman-Hollings as it relates to the distribution of mineral leasing receipts to States and counties?

Answer: Under Public Law 99-177, the Balanced Budget and Emergency Deficit Control Act of 1985, commonly referred to as Gramm-Rudman-Hollings, required reductions in spending will be accomplished through the cancellation or reservation of spending authority, a process called sequestration.

Almost all the appropriation accounts administered by the Department of the Interior are sequestrable under the provisions of Public Law 99-177. Payments to the States from Receipts under the Mineral Leasing Act are not exempt from being sequestered under Sections 255 and 256 of Public Law 99-177. Consequently, by Presidential Order dated February 1, 1986, the President directed that, effective March 1, distributions from this account are to be reduced by approximately $23.9 million from the levels that would have been distributed in the absence of Public Law 99-177.

MMS has developed a formula to allocate the required FY 1986 reduction of approximately $23.9 million equitably among all sharing States. Deductions from the States' monthly payments will begin in March and will be based on a monthly prorata analysis of cumulative payments made to States during FY 1986. Monthly sequestration amounts from all States will total approximately $3.4 million, and each State's reduced payment will be recalculated each month to ensure that the reduction of approximately $23.9 million will be allocated proportionately to each State's total payment for 1986. Table 3 on page MMS-123 of the FY 1987 Budget Justification displays how each State may be affected by the reduction of approximately $23.9 million. The estimate is based on the distribution of payments in FY 1985. The actual reduction will depend on the proportionate share of payments each State receives in FY 1986.

The United States Court of Appeals for the District of Columbia Circuit ruled on February 7, 1986, that the sequestration order implementing the budget reduction specifications of a report prepared by the Comptroller General is unconstitutional. It stayed the effect of its ruling, however, pending appeal of its decision to the Supreme Court.

If later this year the Supreme Court also rules that the sequestration order is unconstitutional and the Congress does not pass a joint resolution as an alternative to the sequestration order as provided for in the Public Law 99-177, we believe that the money withheld will then become available for payment to the States as soon thereafter as possible.

3. Question: Will the funds sequestered in FY 1986 be available for distribution in future years?

Answer: Under Section 256(a) of P.L. 99-177, budget authority that is sequestered is permanently canceled -- except budget authority in special and trust accounts. Budget authority in such accounts is sequestered in the accounts and "* * * will be available in the future in accordance with and to the extent permitted by law, including the provisions of this Act (Gramm-Rudman-Hollings)." The Department is currently reviewing the legal questions governing the ultimate disposition of these funds.

## Mineral Leasing Receipts

4. Question: What oil price assumptions are used in calculating anticipated receipts?

Answer: The prices used for computing onshore and OCS royalties were based on the oil price assumptions provided by OMB for all Federal agencies for the preparation of the FY 1987 budget. The price for 1987 was $24.00. For OCS rents and bonuses, we assumed a price of $28.00 per barrel for Gulf of

Mexico and Atlantic oil, and $25.00 per barrel for oil produced off the coasts of California and Alaska.

5. Question: Considering the present barrel world market price for oil, has the Department made any adjustments in the estimates of receipts anticipated?

Answer: We have not at this point revised our estimates of receipts to reflect recent price postings. When the President's budget estimates were prepared, the assumptions used to develop revenue projections were based on the standard prices published by OMB for use by all Federal agencies. If oil prices remain depressed, the Administration's midsession update of receipts will reflect the change.

### Adequacy of Environmental Analysis

6. Question: According to the FY 1987 request, decreases are proposed in the Leasing and Environmental Program and the Environmental Studies Program (ESP) with respect to Outer Continental Shelf Lands. Given these cuts, how will the Department ensure that adequate environmental analysis is undertaken on offshore lands prior to leasing?

Answer: Adequate environmental analysis is being carried out at current funding levels and should not be adversely affected by funding levels proposed in the FY 1987 budget. During Fiscal Years 1973 through 1985, over $400 million has been invested in data acquisition and analysis through the ESP. The level of knowledge presently available has enabled the MMS to effectively assess proposed offshore lease sales and that knowledge base will continue to grow under the FY 1987 budget request.

The ESP as presently funded continually expands our knowledge about the Outer Continental Shelf (OCS) and coastal environments, allowing us to carry out better and more refined environmental impact analyses. Budget reductions in the ESP are based on the premise that data collection should take place in OCS areas of high industry interest. The emphasis will be to focus the program on areas which most probably will experience the effects of oil and gas development activities. Studies will be developed so as to maximize the utility of information in other OCS Regions since areas of low industry interest will be less likely to receive funds for studies. Funding cuts will slow down the acquisition of knowledge and therefore slow down the enhancement of the data base used for analysis, but it will not diminish our extensive knowledge nor result in the production of inadequate environmental analyses.

Finally, environmental information is furnished to the Minerals Management Service (MMS) by industry at the time plans are submitted for exploration or development. By adding new, site-specific information to the existing information MMS has available, we continue to build our data base and assure that the environmental effects of offshore operations are thoroughly analyzed.

## QUESTION SUBMITTED BY SENATOR MARK ANDREWS

### Payments to Indian Allottees

Question: So that you can more efficiently carry out the provisions of the legislation providing for collection and disbursement of mineral revenues, you have developed three systems to carry out this objective. One of these systems is the new Auditing and Financial System (AFS) which replaced the Royalty Accounting System that had been in use for 30 years. An objective of this new system is to distribute mineral revenues to State, Indian, and General Treasury accounts on a monthly basis. My office received some calls last fall from allottees who did not receive a royalty check for as long as 3 to 4 months. Have you been able to catch up on the royalty distribution and are you now making those payments on a timely basis?

Answer: In the vast majority of cases, the distribution and disbursement of royalty proceeds by the Royalty Management Program (RMP) is completed within 1 month of receipt. During the last 4 months of FY 1985, for example, over 95.5 percent of States' proceeds were disbursed "on time," or within 1 month following the month received.

Although the disbursement process is somewhat different for Indian leases, RMP is achieving similar results. In a recent study involving a large, typical Bureau of Indian Affairs (BIA) office, about 93 percent of allotted receipts were distributed within 1 month following the receipt month. (The BIA makes the actual disbursements to allottees.)

As these percentages reveal, MMS is usually, but not always, able to distribute monies in a timely manner. However, our inability to do so is typically the result of payor errors or underpayments that prevent the proper distribution of royalty lines. Another reason for delayed distribution is that MMS has not received approved lease documents, unitization and communitization documents, or payor information forms needed to establish the accurate accounts in the data base.

### SUBCOMMITTEE RECESS

Senator MCCLURE. The subcommittee will stand in recess until the hour of 2 p.m., on Tuesday, March 11, at which time we will review the fiscal year 1987 budget estimates for the National Park Service.

[Whereupon at 3:55 p.m., Thursday, March 6, the subcommittee was recessed, to reconvene at 2 p.m., Tuesday, March 11.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1987

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TUESDAY, MARCH 11, 1986

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, DC.*

The subcommittee met at 2:15 p.m., in room SD-138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure, Andrews, Leahy, DeConcini, and Bumpers.

## DEPARTMENT OF THE INTERIOR

### NATIONAL PARK SERVICE

**STATEMENT OF WILLIAM PENN MOTT, JR., DIRECTOR**

**ACCOMPANIED BY:**

- **WILLIAM P. HORN, ASSISTANT SECRETARY FOR FISH AND WILDLIFE AND PARKS**
- **DENIS P. GALVIN, DEPUTY DIRECTOR**
- **DANIEL E. SALISBURY, ASSISTANT DIRECTOR, FINANCIAL AND DATA SYSTEMS**
- **C. BRUCE SHEAFFER, NATIONAL PARK SERVICE BUDGET OFFICER**
- **RICHARD BRICELAND, ASSOCIATE DIRECTOR, NATURAL RESOURCES**
- **STANLEY T. ALBRIGHT, ASSOCIATE DIRECTOR, PARK OPERATIONS**
- **JERRY L. ROGERS, ASSOCIATE DIRECTOR, CULTURAL RESOURCES**
- **DAVID G. WRIGHT, ASSOCIATE DIRECTOR, PLANNING AND DEVELOPMENT**
- **L. LORRAINE MINTZMYER, REGIONAL DIRECTOR, ROCKY MOUNTAIN REGION**
- **HERBERT S. CABLES, JR., REGIONAL DIRECTOR, NORTH ATLANTIC REGION**
- **MANUS (JACK) FISH, JR., REGIONAL DIRECTOR, NATIONAL CAPITAL REGION**
- **JAMES W. COLEMAN, JR., REGIONAL DIRECTOR, MID-ATLANTIC REGION**
- **ROBERT M. BAKER, REGIONAL DIRECTOR, SOUTHEAST REGION**
- **CHARLES H. ODEGAARD, REGIONAL DIRECTOR, MIDWEST REGION**
- **ROBERT I. KERR, REGIONAL DIRECTOR, SOUTHWEST REGION**

**ACCOMPANIED BY**—Continued

**HOWARD CHAPMAN, REGIONAL DIRECTOR, WESTERN REGION**

**WILLIAM BRIGGLE, ACTING REGIONAL DIRECTOR, PACIFIC NORTHWEST REGION**

**BOYD EVISON, REGIONAL DIRECTOR, ALASKA REGION**

**GERALD PATTEN, MANAGER, DENVER SERVICE CENTER**

**ANTHONY L. ITTEILAG, DIRECTOR, OFFICE OF BUDGET, DEPARTMENT OF THE INTERIOR**

### BUDGET REQUEST

Senator McCLURE. Good afternoon. The subcommittee will come to order. This is the time scheduled to review the fiscal 1987 budget estimate for the National Park Service [NPS].

The Service's fiscal 1987 request for its major operating program is for $596,482,000, a decrease of $682,000, or less than 1 percent, from 1986 appropriations after being adjusted for the Deficit Control Act [DCA]. The 1987 estimate is $27,514,000 below the 1986 appropriation prior to the DCA reductions. The 4.3-percent reduction applied to 1986 appropriations totaled $26,832,000. In other words, the 1987 estimate would, in effect, continue the 1986 funding level after being reduced by the DCA.

If we include the estimated $59 million that would be derived from fees that are being proposed for expenditure on park activities this year, one could characterize the budget estimate as an increase of $59 million over the 1986 appropriations level after DCA adjustments. This is an historic high for funding requests for Park Service operations.

I would also like to highlight a few other aspects of the Service's 1987 budget proposals. You are requesting $29,114,000 for the Construction Program, a reduction of $84,322,000, or about 80 percent, below 1986 adjusted appropriations. You are requesting $15,270,000 for land acquisition, a reduction of $82,540,000, or a reduction of about 85 percent, from 1986 appropriations. This would include no funding for the State side of the Land and Water Conservation Fund. You are requesting no funding for the historic preservation fund in 1987, a reduction of $23,729,000 from the 1986 congressional appropriations level.

The committee also has pending before it a number of rescissions proposed by the administration. You are proposing to rescind $83,917,000 of land and water conservation funding, including $35,901,000 for the State program. You are also proposing to rescind $13,613,000 of construction funding and an additional $18,523,000 from the Historic Preservation Program.

A program supplemental in the amount of $13,470,000 is also pending before the committee. Included in the supplemental is $3,200,000 to support mining and minerals activities in Alaska, $770,000 for the U.S. Park Police pension fund, and $9.5 million for repayment of fiscal 1985 firefighting expenses.

The lead witness today on behalf of the Service will be the Director, Mr. William Penn Mott. We welcome you, Mr. Director, before the committee, and I think this is your maiden appearance before the committee.

We also have in attendance today Mr. William Horn, Assistant Secretary for Fish and Wildlife and Parks of the Department of the Interior. This is also Mr. Horn's first appearance before this committee.

### HISTORIC PRESERVATION FUND PROPOSED RESCISSION

Senator LEAHY. Thank you, Mr. Chairman. I just had a request for consideration of an aspect of the historic preservation rescission for Mr. Mott referring to colloquy you and I and Senator Byrd had which is in the Congressional Record. I would put that as part of the record. I unfortunately have another meeting I have to attend.

Senator McCLURE. I understand. Thank you very much, and that will be made a part of the record.

Senator LEAHY. Thank you.

### PREPARED STATEMENTS

Senator McCLURE. We have also asked the Service's regional directors to be in attendance today. We very much appreciate their attendance and their fine work and attention to this committee.

Mr. Horn and Mr. Mott, would you come forward and take your places at the table, along with others who will testify on this issue. As usual, we will place your full statements in the record at this point along with your biographies.

[The statements follow:]

## STATEMENT OF WILLIAM PENN MOTT, JR.

It is my pleasure to appear before this Subcommittee to discuss the fiscal year 1987 budget request of the National Park Service. Since I was named Director of the National Park Service almost 1 year ago, I have had the opportunity to visit many of the diverse natural, cultural and recreational resources of the National Park System. These sites are a justifiable source of pride for all Americans, and are managed by a highly competent and dedicated group of employees who understand the mission of the Service which is to provide public use of 337 units of the System while protecting the resource so that it can be passed on to future generations unimpaired.

The National Park idea is now more than 100 years old, and continues to grow stronger even as the challenges associated with managing and protecting parks become more complex. One of the first actions I took as Director of the National Park Service was to assemble my senior staff to forge a management plan that focus our collective efforts towards meeting these challenges. The resulting 12-Point Plan was completed last summer and has already had the positive effect of strengthening public trust and understanding and stimulating creativity and enthusiasm within the Service. Briefly stated, the 12 points are:

1. Develop a long-range strategy to protect our natural, cultural, and recreational resources.
2. Pursue a creative, expanded land protection initiative.
3. Stimulate and increase our interpretive and visitor service activities for greater public impact.
4. Share effectively with the public our understanding of critical resource issues.
5. Increase public understanding of the role and function of the National Park Service.
6. Expand the role and involvement of citizens and citizen groups at all levels in the National Park Service.
7. Seek a better balance between visitor use and resource management.
8. Enhance our ability to meet the diverse uses that the public expects in national parks.
9. Expand career opportunities for our employees.
10. Plan, design, and maintain appropriate park facilities.
11. Develop a team relationship between concessioners and the National Park Service.
12. Foster and encourage more creativity, efficiency, and effectiveness in the management and administration of the National Park Service.

We are putting the finishing touches on a plan of action that will identify approximately 30 specific objectives we intend to accomplish over the next several years to implement these 12 points. The 10 Regional Directors and each park manager will also develop their action plans, so that together the Service will have a short-and long-range program of accomplishments under the umbrella of the 12-Point Plan.

Mr. Chairman, our 12-Point Plan is, ideally, the first step in a process of change that will carry the National Park System into the future. Implementation of the plan requires most of all innovative leadership and the energy and creativity of the Service's employees. It does not require immense new budgetary resources, but does demand the efficient use of existing resources. That is the general thrust of our budget request for fiscal year 1987. I should mention, Mr. Chairman, that we have over the past several years through more efficient operations, been able to handle the required across-the-board reductions to our base budget and still maintain a quality service to the public. However, we now have reached that point when additional cuts will necessitate substantial reductions in service.

As you know, the Service's budget request includes funding increases that assume increasing entrance fees and using those fee revenues to support our operations budget. Assistant Secretary Horn has outlined the major components of the proposed legislation on recreation fees. I would like to add a word of support for this proposal. My experience as Director of the California State Parks during a period of severe fiscal constraint was that those individuals who use parks do not object to reasonable entrance and user fees provided those fees are retained by the park to help finance the operation of parks. Fees are presently charged at 60 units of the National Park System. The proposed plan envisions collecting entrance fees at approximately 198 units of the System. In the past, there was no overall rationale for charging at those particular sites or for the fee amount. We have worked hard to develop a sound, equitable proposal for charging reasonable entrance fees and at what parks the fees should be collected. I believe this proposal benefits everyone by making it possible for us to do a better job of education and interpretation, resource management, and improved maintenance.

I would like to take a moment to highlight the major components of the 1987 budget request.

## Operation of the National Park System

For the "Operation of the National Park System" appropriation, we are requesting $596.5 million. This amount, when considered with the $59 million in revenues from recreation fees under the proposed legislation, would permit several significant increases in park programs including:

—An allocation of $3.6 million to begin a full level of maintenance and visitor services at Ellis Island National Monument and at Castle Clinton National Monument. The latter will serve as a staging area for all visits to Ellis Island and the Statue of Liberty.

—An allocation of $510 thousand for informational publications to ensure that every visitor has access to a map and interpretive information about the park he or she is visiting.

—An increase of $500 thousand for the Volunteers-in-Parks program to the level authorized by Congress so that we can adequately reimburse for personal expenses the thousands of individuals who contribute their time and talent to improving the National Park System. This past fiscal year volunteers contributed 764 workyears of time valued at $10 million.

—An additional $14.2 million to enhance education, interpretation, research and resource management and maintenance in units that collect fees and those units that do not collect fees.

I am proposing increased appropriations to help ensure the effective implementation of regulations governing mining and minerals activities in Alaska parks, and the protection of natural water flows in western parks.

## National Recreation and Preservation

The request for National Recreation and Preservation Programs is $9.5 million. Funding for National Register Programs reflects no change from the amount appropriated in 1986. We are proposing reductions in recreation assistance and rivers and trails programs which reflect overall budget priorities, declining workload, and our belief that State and local organizations can function effectively without direct Federal support.

## Construction

The budget request for Construction, $29.1 million, includes 8 projects in 7 parks to correct deficiencies in utility and support systems and protect park resources. These projects are:

| | |
|---|---|
| Bryce Canyon National Park<br>Rehabilitate Bryce Canyon Lodge | $1,800,000 |
| Chickasaw National Recreation Area<br>Rehabilitate Sewage System, Travertine District (Phase II) | 870,000 |
| Death Valley National Monument<br>Replace Motel Building, Concessioner Storage Building, and Employee Trailer Court | 900,000 |
| Fort McHenry National Monument<br>Rehabilitate Historic Seawall | 860,000 |
| Grand Canyon National Park<br>Reconstruct Water Distribution System, Village Area (Phase III) | 4,181,000 |
| Yellowstone National Park<br>Rehabilitate Purchased Concessions Facilities (Phase II) | 3,357,000 |
| Yosemite National Park<br>Rehabilitate Electrical System (Phase II) | 3,740,000 |
| Yosemite National Park<br>Construct Employee Housing, El Portal | 3,610,000 |

## Land Acquisition

We are proposing $15.3 million for Land Acquisition in fiscal year 1987. Within this amount we will focus our efforts and land exchanges on other alternatives to full fee acquisition and continue to acquire tracts where there is a willing seller or an emergency or hardship situation requiring prompt action.

## John F. Kennedy Center for the Performing Arts

Finally, funding for the John F. Kennedy Center will be maintained at the base level of $4.77 million in 1987.

This concludes my prepared statement. I will be happy to answer any questions you or the other members of the Subcommittee may have.

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## STATEMENT OF WILLIAM P. HORN

I appreciate the opportunity to appear before this subcommittee to discuss the fiscal 1987 budget request for the National Park Service. The coming fiscal year promises to be challenging as realistic limits are placed on the Park Service's budget to help reduce the Federal deficit and as the Service more efficiency utilizes new and existing funding sources.

The Park Service has a reputation of excellence in service to the visiting public and in the stewardship of America's cultural and natural heritage. Our challenge is to maintain or improve that reputation, and I believe that the budget we are proposing for the National Park Service in fiscal 1987 does just that. Here are some key examples:

—We have proposed legislation to increase entrance fees for units of the National Park System and to create a new appropriation for recreation fee revenues.

—As part of an ongoing effort to streamline administrative and support functions, we will initiate actions to close the Regional Office in Seattle, Washington.

—We are working to improve program operations, such as land acquisition where we will attempt to increase land acquisition through exchange rather than fee title given the fiscal constraints we now face.

Recreation Fees

Although the number of parks charging fees and the specific rates have changed, entrance and user fees have remained a constant feature of park operations since the early years of this century. Moreover, the principle of charging for recreation use has been repeatedly endorsed by both the Congress and the public during the period since the first national parks were created. Simply stated, where the use of Federal resources conveys special benefits to identifiable recipients, above and beyond those which accrue to the general public, such recipients should pay a reasonable charge for the service received.

Entrance fees for units of the National Park System have not been raised or initiated since 1972. Indeed, many entrance fees have remained constant for a much longer period of time, and in a few areas entrance fees have actually decreased. A family visiting Yellowstone National Park in the 1930's would have paid $3 for a vehicle permit. Fifty years later, in 1986, the entrance fee at Yellowstone is $2 a vehicle.

Our legislation will shift some of the burden of operating and maintaining recreation areas from the general taxpayer to those individuals who use and benefit from this service. Specifically, this legislation would lift the current freeze on entrance fees enacted under section 402 of Public Law 96-87, authorize the Secretary of the Interior to increase existing and establish new entrance fees, and permit the use of the fee revenues to operate, maintain and preserve the 337 units of the National Park System. Presently, recreation fees collected by the National Park Service are deposited into the Land and Water Conservation Fund and are available for subsequent appropriation to finance Federal land acquisition and matching grants to States. The nation's overall fiscal situation and the necessary budget constraints make it incumbent on us to propose a total program by which we could keep our parks operating at the enhanced levels in the first class manner expected by the American public.

The program designed to support this legislation contains the following elements:

--Entrance fees would increase at the current 60 fee areas. Entrance fees would be established at an additional 138 areas.

--Entrance fee amounts would be either $10, $5, or $3 a vehicle--or $5, $2.50, and $1.50 a person--depending on the classification of the park as a prime, intermediate, or standard fee area. This classification is based on an application of the six criteria included in the Land and Water Conservation Fund Act to each park and considers such factors as the direct and indirect cost to the Government, visitor benefits, comparable fees charged by other public and private organizations for similar services, economic and administrative feasibility, public policy or interest served, and other pertinent factors. There is no overall criteria for the present fee structure of entrance fees which generally range from $1 to $3 a vehicle.

—The price of the Golden Eagle Annual Passport would increase from $10 to $40 and would permit unlimited entry to all fee areas during a 1-year period.

--Annual passes would also be developed for individual parks at rates that would vary from site-to-site.

--A one-time charge of $10 would be established for the Golden Age Passport, which is currently available free of charge. The Golden Age Passport will continue to allow lifetime unlimited entry to fee areas for individuals 62 years of age and older.

--Children under 16 years of age and educational groups would continue to be admitted free of charge to all fee sites.

--Fees would not be established for areas close to major urban centers that were established principally to provide recreational opportunities for urban populations and where multiple access points would make fee collection infeasible.

--Of the total revenue collected, 20 percent would be returned to the U.S. Treasury General Fund to assist in deficit reduction and support my resolve that there not be offsetting reductions in future fiscal years to base appropriations on the Park Service's operating accounts; the remaining 80 percent would be available to the National Park Service to provide and improve services and facilities for the visiting public.

## Management Improvement

In 1980, a separate Regional Office was created in Anchorage, Alaska, to manage the Alaskan parks. The Pacific Northwest Regional Office was subsequently reduced to only 16 areas in the States of Idaho, Oregon, and Washington. This is significantly less than other Regional Offices when compared in terms of areas, funds and FTE's. The budget for this office is $4.2 million and 110 FTE's.

Consequently, we are proposing to close this office as part of our effort to streamline administrative and support functions. All permanent employees will be given the option of relocating to a funded vacant position in a park or another Regional Office. Although reduced operating costs for fiscal 1987 will be offset by one-time expenses for lump sum leave and severance payments or relocation expenses, net savings of approximately $2.2 million annually are anticipated in subsequent budgets.

## Land Acquisition

Land Protection Plans which are in the process of completion for all parks are identifying a variety of innovative techniques that provide sufficient protection of the resources at considerable savings of appropriated funds. These include exchanges, donations, cooperative agreements, and the purchase of scenic easements. We propose to make maximum use of these techniques to accomplish our land acquisition goals as we await the change in the fiscal climate which will provide us the flexibility to acquire other high priority parcels which can only be acquired with appropriated funds.

Land acquisition by exchange is one of the alternatives to purchase being most actively pursued by the National Park Service. Outside Alaska since 1981, approximately 148 tracts totaling 9,379 acres have been acquired by exchange. The value of the land acquired is estimated at $16 million.

An Interior Inter-Bureau Task Force has been established to expedite exchanges. Two approaches have been taken to expedite the exchange process. The "Track A" approach addresses exchanges that involve large acreage and high value and which may or may not require special authorizing legislation. Secretarial level consideration is required. Other significant exchanges are identified as "Track B." These include exchanges of lower value and/or smaller size and do not require legislation, but nevertheless will be coordinated by the Washington Offices of the bureaus involved and are included in the bureau's Management by Objectives to ensure that the exchanges are completed in a timely manner.

Overall, the fiscal 1987 budget proposed for the National Park Service strikes an effective balance between our objective to improve park programs and the need to reduce Federal expenditures. The "Operation of the National Park System" appropriation ($596.5 million) together with the proposed "Operation of the National Park System - Fee Program" ($59 million) is the largest budget ever proposed to operate the National Park System, an increase of $58.3 million over the 1986 level adjusted for the Gramm-Rudman reductions. However, in order to help meet the fiscal 1987 Gramm-Rudman targets, we are asking for decreases in such appropriations as "National Recreation and Preservation," "Construction," "Land Acquisition," and "Historic Preservation Fund" accounts. The net decrease to the National Park Service for these programs is $166 million.

This budget maintains the Service's commitment of services to the visiting public and our responsible stewardship of America's cultural and natural heritage.

## BIOGRAPHY OF WILLIAM PENN MOTT, JR.

William Penn Mott, Jr., in May 1985 became the 12th Director of the National Park Service.

A career parks professional, Mott joined the National Park Service in 1933 as a Landscape Architect working in San Francisco. He remained with the Service for 7 years.

He returned to the Park Service as Director following service as the "resident and Executive Officer of the California State Park Foundation, which he founded in 1975. He was also General Manager of the East Bay Zoological Society, Oakland, California, when he was appointed to his current position.

Mott served 8 years as Director of the California Department of Parks and Recreation (1967-75), 6 years as General Manager, East Bay Regional Park District (1962-1967), and 17 years as Superintendent of parks for Oakland.

A registered Landscape Architect, Mott was in private practice specializing in park and recreation planning and design in the 1940's. In October 1985, he received the prestigious Alfred B. LaGasse medal of the American Society Of Landscape Architects.

A native of New York City, Mott holds two degrees in landscape architecture, a B.S. from Michigan State University and an M.S. from the University of California at Berkeley.

He and his wife, Ruth, have three children.

## BIOGRAPHY OF WILLIAM P. HORN

William P. Horn has served as Assistant Secretary for Fish and Wildlife and Parks within the Department of the Interior since July, 1985. Prior to assuming that position, he served as Deputy Under Secretary at Interior. His primary responsibilities in that position were coordinating and directing the Department's Alaska-related programs, serving as Chief Coordinator of Negotiations for the Indian Water Claims Task Force, and sitting as Chairman of the Great Lakes Fisheries Commission.

Before coming to Interior in 1981, Mr. Horn was minority staff consultant to the House Interior and Insular Affairs Committee and prior to that, a special assistant to the Assistant Secretary of the Interior for Land and Water Resources during the years 1976-77.

Horn also worked as special assistant to the late Rogers C.B. Morton, a former Interior Secretary, when Morton was Secretary of Commerce in 1975. For 3 years prior to that he was a staff member of the House Republican Conference, advancing to the position of Acting Executive Director.

A skilled fly fisherman and upland bird hunter, Horn is an honors graduate of the American University, Washington, D.C., where he earned a J.D. Degree in 1983. He is a member of Trout Unlimited, the Ruffed Grouse Society, Ducks Unlimited, and the District of Columbia Bar. He is married, has two children, and resides in McLean, Virginia. He was born December 16, 1950 in Dover, Delaware.

## INTRODUCTION OF ASSOCIATES

Senator McCLURE. Before turning to your testimony or questions on your testimony, I recognize Senator Andrews. I ask Senator Andrews if you have an opening statement.

Senator ANDREWS. I have no opening statement. I just have a couple of questions.

Senator McCLURE. Would you please introduce those who are with you who will testify in support, and also would you introduce the regional directors. And as they are introduced, I wonder if we could ask each one to identify the area of the country they represent, the total number of park units supervised and the total budget of those units, and the amount of funding and staffing in each regional office.

Mr. MOTT. Thank you, Mr. Chairman. I'd like to introduce Denis Galvin, who is the Deputy Director, and I believe this is the first time he has appeared before your committee. This is Denis Galvin on my left.

Daniel Salisbury, who is in charge of our financial and data systems. He is familiar to this committee and has appeared before you on many occasions in the past.

Bruce Sheaffer, who is our budget officer.

Then I would like to introduce our associate directors: Dr. Richard Briceland, who is Associate Director for Natural Resources; Stanley Albright, Associate Director for Park Operations; Jerry Rogers, Associate Director of Cultural Resources; and David Wright, Associate Director of Planning and Development.

Then I would like to introduce the regional directors and the manager of the Denver Service Center.

Ms. Lorraine Mintzmyer, Rocky Mountain region, Denver. Lorraine, would you give your information.

Senator McCLURE. Thank you.

Ms. MINTZMYER. I am the regional director for the Rocky Mountain region which is comprised of six States and 41 national park areas. We have 1,975 FTE's and our ONPS budget is $69 million.

Senator McCLURE. Thank you.

Mr. MOTT. Herbert S. Cables, Jr., North Atlantic region, Boston.

Mr. CABLES. Mr. Chairman, I'm the regional director of the North Atlantic region, which encompasses eight States, the New England

States, New York, and New Jersey. There are 34 units. The budget is $45 million, and I have 1,389 FTE's.

Mr. MOTT. Jack Fish, Jr, National Capital region, Washington, DC.

Mr. FISH. We have 28 of the 337 units, Mr. Chairman, and a budget of $82 million, and for the regional office it's about $7.3 million and 182 FTE's.

Senator MCCLURE. Thank you.

Mr. MOTT. James Coleman, Jr., Mid-Atlantic region, Philadelphia.

Mr. COLEMAN. Mr. Chairman, The Mid-Atlantic region includes five States and parts of New Jersey. We have a budget in the region of about $41 million and 28 parks, and we have 1,300 FTE's.

Mr. MOTT. Robert Baker, southeast region, Atlanta.

Mr. BAKER. Good afternoon. We have the eight southeastern States, plus the territories of the Virgin Islands and the Commonwealth of Puerto Rico. We have 53 parks, a budget of $70 million, and 2,225 FTE's.

Mr. MOTT. Charles Odegaard, Midwest region, Omaha.

Mr. ODEGAARD. Mr. Chairman, the Midwest region has 30 parks in 10 States, 1,036 FTE's, and a budget of $37 million.

Mr. MOTT. Robert Kerr, southwest region, Santa Fe.

Mr. KERR. Mr. Chairman, we have 36 areas in five States and the northeast corner of Arizona.

Mr. MOTT. Howard Chapman, western region, San Francisco.

Mr. CHAPMAN. Mr. Chairman, we have four States plus the territory of Guam and Saipan, a total budget of $88 million, and 2,477 FTE's.

Mr. MOTT. William Briggle, acting, Pacific Northwest region, Seattle.

Mr. BRIGGLE. Mr. Chairman, we have 16 areas with a budget of $28 million, in the three States of Oregon, Washington, and the great State of Idaho, 749 FTE's.

Mr. MOTT. Boyd Evison, Alaska region, Anchorage.

Mr. EVISON. Mr. Chairman, we have 16 areas administered by the National Park Service in Alaska, comprising something over 54 million acres, a total budget of about $18 million, of which nearly $7 million is in the regional office program.

Mr. MOTT. Gerald Patten, manager of the Denver Service Center, Denver.

Mr. PATTEN. Mr. Chairman, the Denver Service Center is the Park Service's central planning, design and construction office and serves all 10 regions. We have 551 FTE's, an overall budget of $24 million, which includes moneys for these purposes. We contribute designer services to a $200 million Construction Program.

Mr. MOTT. Mr. Chairman, that represents the regional directors. The rest of the people you see in the audience are people that back them up.

Senator MCCLURE. Thank you very much, Mr. Director.

Before proceeding further, Senator Andrews, would you like to be recognized for some questions?

FORT UNION TRADING POST NATIONAL HISTORIC SITE

Senator ANDREWS. I appreciate that very much, Mr. Chairman. As you know, I have to get back to the Budget Committee. We do everything twice or three times around this place, but I appreciate your understanding.

Mr. Mott, let me tell you of the great confidence those of us on the subcommittee have in the work you're doing and the new concepts you are bringing to the Park Service. It is amazing how things are picking up, and people are becoming impressed with the partnership ideas that you are putting forth on cost sharing for some of these benefits that are in the long-range best interests, of course, of our Nation.

One of the things, of course, that we are intensely interested in in North Dakota is expanding our National Park System, and we have a number of projects there. We have, for instance, our Fort Union that you know about. We have a potential for the restoration of Fort Totten at Devil's Lake. We also have, of course, our Indian tribes attempting to build a significant recreation area on Lake Sakakawea. We tie all of that in with the Teddy Roosevelt National Park, and we have an overall center for tourist interests and historical interests, of course, in the Nation.

As you know, Mr. Mott, $988,000 was earmarked in fiscal 1986 for planning, for design, and for archeological studies for the Fort Union historical site near Williston. How is that project coming along? Is it proceeding as we planned?

Mr. MOTT. Yes; the project is moving along very nicely, and I can say that the contracts for the development which we have envisioned will probably be completed in October and will be actually under construction.

I might say that the success of this project has been the fine cooperation we have received, not only from you but from the local community. And, as you know, we are developing a fundraising program to match the Federal funding so that this project can be completed and made into a very active interpretive program of the story of what is happening in the West in connection with that trading post.

Senator ANDREWS. Well, they appreciate very much your efforts, Mr. Mott. I understand they are putting together a fundraising committee that is composed of a number of people, but among them is the former Secretary of the Interior, Tom Kleppe, from North Dakota.

In line with the administration's policy for cost sharing on these kinds of projects, the community, of course, is eager to begin its fundraising. Has a framework been set up so the community can participate in fundraising on the national level as well as the local level?

Mr. MOTT. That is correct. We anticipate our share of the fundraising effort will be to identify those opportunities that we have for fundraising on a national level. The local committee will be taking responsibility for raising funds at the local level. These two fundraising efforts together should produce the money that we need to complete the project.

Senator ANDREWS. And as you say, the $988,000 that was earmarked for planning design and archeological studies—that will be able to be let by October of this year.

Mr. MOTT. That is correct.

Senator ANDREWS. And that will comprise the design studies so that they can more specifically tune in the fundraising across the Nation to build these features.

Mr. MOTT. Yes; I think it's very desirable to have this information as we move forward in our fundraising effort. And, of course, we will be keeping close tabs on the planning effort so that we can integrate that into our fundraising program.

Senator ANDREWS. And you envision no holdups as far as the design and the moving ahead to begin to reconstruct parks and so forth?

Mr. MOTT. The regional director tells me that the schedule has been set, and that we will adhere to that schedule.

Senator ANDREWS. As I understand, at one point in time, Mr. Director, there was some consideration given to rebuild the fort someplace off the original site. I think because of the uniqueness of the original site, the decision has been made to go back to the original site. Is that true?

Mr. MOTT. That is correct. We plan to restore the fort at its original site, including the buildings, as well as the palisade around the fort.

Senator ANDREWS. Thank you very much.

I appreciate the time, Mr. Chairman.

Senator MCCLURE. Thank you.

Senator Bumpers.

### ENTRANCE FEES AT HOT SPRINGS NATIONAL PARK

Senator BUMPERS. Mr. Mott, on these entrance fees, how would you propose to collect an entrance fee down at Hot Springs?

Mr. MOTT. Well, I think there are those areas in the country where it would be very difficult to collect an entrance fee, and I think Hot Springs would be one of those areas where we would not be able to collect an entrance fee.

Senator BUMPERS. So we can strike that one off the list.

Mr. MOTT. I think so. There will probably be charges, of course, in connection with the development that you know is progressing very nicely down there, but we don't anticipate that will be an area where we will be collecting entrance fees.

### ENTRANCE FEE PROPOSAL

Senator BUMPERS. Let me ask about the entrance fees you plan to collect at 138 parks and increase existing fees at 60 parks. The legislation proposes that 80 percent of those fees will go to the National Park Service for park operations and maintenance programs, and 20 percent to the general fund of the Treasury.

Now, under current law, all park fees are deposited in the Land and Water Conservation Fund for subsequent appropriation to finance land acquisition and State recreation grants. So the effect of this is to substantially decrease the amount of land acquisition funds from the Land and Water Conservation Fund.

Do you agree with that? Do you think that's a good policy?

Mr. MOTT. I'd like Mr. Horn to answer that question because he is familiar with that detail.

Senator BUMPERS. All right.

Mr. HORN. Mr. Chairman, the major purpose for earmarking funds, both presently collected funds and fees, which aggregate $21 million, plus the additional fees we would collect if Congress should enact this legislation, we would put into a new account which would be directly available for Park Service operation. At the present time, the $21 million does flow into the Land and Water Conservation Fund. However, after a period of time, if Congress has not appropriated those moneys, they revert to the General Treasury. As a consequence, there is no guarantee that any dollar paid by a user of a park will necessarily return to benefit the National Park System. Hence, we think it is important to set up this new fee account and structure it so we can assure the public that the fees that they pay to enter their national parks will be used for the direct benefit of the National Park System.

## LAND AND WATER CONSERVATION FUND

Senator BUMPERS. Well, I'm not sure I follow your answer fully. First of all, are you putting anything into the Land and Water Conservation Fund? Are you asking for any money for that fund?

Mr. HORN. Various receipts are deposited in the fund under other auspices of law, Outer Continental Shelf [OCS] revenues, for example, or portions of them. So there is a considerable amount of money flowing into the Land and Water Conservation Fund. Park receipts are a very small percentage of that.

In terms of actual appropriations in this year's budget, we are asking for $15.3 million to be appropriated from the Land and Water Conservation Fund for park acquisition purposes.

Senator BUMPERS. In 1986 how much money will be in that fund from all sources?

Mr. GALVIN. Senator Bumpers, something over $4 billion. Our fee proposal will not decrease the level of deposits in the fund. The authorized level is $900 million per year. To the extent our fees do not go into the fund, the difference would be made up by increased OCS receipts going into the fund, totaling $900 million.

Senator BUMPERS. Is that where the bulk of the money comes from—OCS fees?

Mr. GALVIN. Absolutely.

Senator BUMPERS. How much?

Mr. GALVIN. Considerably over $800 million of the $900 million is OCS receipts.

Senator BUMPERS. Tell me how you distribute the Land and Water Conservation Fund budget. You're asking for how much to be used for land acquisition?

Mr. SALISBURY. For the Park Service, $15.3 million. The Bureau of Land Management will receive virtually no appropriations in fiscal year 1987; $1.5 million is being requested by the Fish and Wildlife Service from the Land and Water Conservation Fund, and the Department of Agriculture, Forest Service is requesting $55.2 million.

### LAND ACQUISITION BACKLOG

Senator BUMPERS. If you had the money right now to pay for all the ongoing land acquisitions that we are in the process of acquiring, how much money would it take? How much are we obligated to purchase right now?

Mr. SALISBURY. We might ask Will Kriz, who is our land acquisition expert, to answer that question.

Mr. KRIZ. Mr. Chairman, the acquisition backlog is $458 million. Those are the authorizations that have not been appropriated. In addition to that, there are some areas like Redwood that will require additional money. So we are talking about something over $1 billion that is the total backlog.

Senator BUMPERS. And how much money do you plan to spend in 1987 for land acquisition?

Mr. KRIZ. The request is $15.3 million.

Senator BUMPERS. So in about 80 years, we will have all this land acquired, is that right, at the rate we are asking for land acquisition in 1987? Does that sound like a suitable schedule to you, Mr. Mott?

Mr. MOTT. That would be correct, I suspect, without increasing land values. The problem is that the Land and Water Conservation Fund receipts are not going to be coming in for that length of time unless Congress continues the Land and Water Conservation Fund program.

### USAGE OF INCREASED FEES

Senator BUMPERS. Now, 80 percent of these fees that are going to be collected are going to be used for operation and maintenance purposes in the parks; is that correct?

Mr. MOTT. Basically our concept in the use of these funds is, No. 1, to be used for interpretive purposes and education; second, to be used for research and resource management; and, last, to supplement our funding for maintenance and operation.

Senator BUMPERS. Now, when you add the new fees of roughly $59 million into your operations and maintenance for the Park Service, that makes your 1987 budget about $734 million, or about $50 million less than 1986.

Can you maintain the National Park System very long if we continue to cut your operations and maintenance budget by that amount? Do you think that's good policy?

Mr. HORN. If I may, Mr. Chairman, the reason that we focused all of the major cuts in the fields of land acquisition, construction, and State grant programs—as the chairman indicated in his opening statement, is that, when you take the base amount of appropriations which we have requested, which are essentially the same as our fiscal year 1986 current level, and add it to the $59 million we would hope to derive from the fee program, it would give us a combined amount of $655 million, which would be the largest operations account in the history of the National Park Service.

So if Congress adopts our proposal, we will be able to offer to the American citizens a first-class park system with the best operating budget we have ever had.

Senator BUMPERS. What was that figure in 1986?

Mr. HORN. In 1986, following the 4.3-percent sequestration, it was $597 million.

Senator BUMPERS. So you're going to have $58 million more in 1987?

Mr. HORN. That's correct, if the fees are adopted.

### LAND ACQUISITION REQUESTS

Senator BUMPERS. How much did you have allocated for land acquisition in 1986?

Mr. HORN. The administration requested approximately $10 million, and Congress appropriated approximately $50 million.

Senator BUMPERS. Fifty million dollars?

Mr. HORN. Yes, sir.

Senator BUMPERS. And now you are requesting $15 million in 1987?

Mr. HORN. That's correct.

Senator BUMPERS. Well, let me ask you one other thing. Is the value or the cost to the Government of that roughly $1 billion remaining to be acquired going up every year?

Mr. HORN. It frankly depends. In some parts of the world we have land values stabilized, and in other places we have land values declining. The general trend over the past, largely because of inflationary rates, is that the cost has gone up. But lately it has stabilized, and of course over time it will probably go back up again.

### FORDYCE BATHHOUSE IN HOT SPRINGS NATIONAL PARK

Senator BUMPERS. Finally, Mr. Mott, I was disappointed to find no additional funds included for renovating the Fordyce bathhouse in Hot Springs. We have appropriated $2.1 million, and yet it is apparently going to take $5 million to do the job. Do you think you and I could sit down and have a little soul-bearing session on that?

Mr. MOTT. We have scheduled for that renovation program, and I think Mr. Galvin can answer that question for you.

Mr. GALVIN. Our total estimate for the bathhouse rehabilitation is around $7 million. The portion that was appropriated last year will begin the structural rehabilitation of the bathhouse, and we expect to award that construction contract this fiscal year.

Senator BUMPERS. Well, what kind of a plan do you have for the rest of the renovation of that bathhouse?

Mr. GALVIN. The renovation of the Fordyce bathhouse is called for in the general management plan as the principal visitor's center for the park, and the $7 million estimate would achieve that objective, that is, $7 million including the $2.1 million appropriated last year.

Senator BUMPERS. I understand that, but what are your long-range plans for the other $5 million? It won't do much good to spend that $2.1 million unless we are going to spend the other $4.9 million, will it?

Mr. GALVIN. Not in terms of achieving the objective of constructing a visitor's center, but it will retard the deterioration and stabilize the historic character of that building, but ultimately we will need the balance of the funds for the visitors' center.

Senator BUMPERS. Do you think it would be appropriate to put some money in the 1987 budget to continue that, if not the whole $4.9 million, maybe some amount?

Mr. GALVIN. I believe we are contemplating construction in three phases: $2.1 million comprising the first phase, an additional $2 to $3 million as a second phase, which would continue the stabilization and structural repair of the building, and then a final phase of about $2 million to complete the visitor's center character.

Senator BUMPERS. Do you have a schedule for the completion of that?

Mr. GALVIN. Yes; we do.

Senator BUMPERS. What is it?

Mr. GALVIN. We could roughly do it in three increments, as I mentioned, probably 1 year for each, if funds were available, in fiscal years 1986, 1987, and 1988.

Senator BUMPERS. Thank you, Mr. Chairman.

Senator MCCLURE. Thank you.

Senator DeConcini.

### EFFECT OF BUDGET CONSTRAINTS

Senator DECONCINI. Mr. Chairman, thank you. I want to compliment you for arranging for the regional directors of the Park Service to appear before the committee today. You have tried to maintain an adequate budget for the National Park Service over the years, Mr. Chairman, and there was a great deal of pressure to take more reductions, so I really appreciate this effort on your part.

You know, Mr. Chairman, I have expressed continuing concern about Park Service budgets. It appears we have more problems facing our Nation. Money is limited. Our national parks in Arizona have not been immune from budgetary constraints, and I have a number of questions of Mr. Mott and of Mr. Howard Chapman, the director of the western region. Unfortunately, I am managing the constitutional amendment to balance the budget on the floor and I can't stay for the whole afternoon. But I do have some questions of Mr. Mott.

First, I want to congratulate you for the leadership you have taken in your new position in the National Park Service. The Park Service is really one of our Nation's finest agencies in this Senator's judgment and one that is respected and admired by Members of the Congress. I think over time, history will prove that it has really been well managed, but certainly not always well funded.

I would like to ask two overview questions, Mr. Director. I have talked with the park superintendents in my State, and the information I have received, especially from some of the smaller parks, is that the Gramm-Rudman-Hollings fiscal year 1986 request will dramatically impact visitor services. Your budget justification seems to indicate that certain services and visitor center operations will be reduced. What effect will this have on the public's ability to enjoy these parks?

Mr. MOTT. One of the things I have asked all of the regional directors here in reworking their budgets, and that is that they not make cuts in the interpretive program. I think the interpretive program is extremely important, not only for providing a visitor with the enjoyment and pleasure and understanding of a park system, but I think it is important for developing the kind of interest and support that we need in the National Park System.

So the regional directors are now reviewing their programs and that is one of the areas we said they should not be making cuts.

Senator DECONCINI. I'd like to convey to you that some of the superintendents in Arizona have advised my staff that they are going to have to make cuts in interpretive, because they don't know any other alternative. Is there any other alternative? If there is no other alternative, what can they do?

Mr. MOTT. It is going to be very difficult, particularly in the smaller parks, because of this across-the-board cut that is taking place. We are suggesting the possibility of training volunteers in the parks to help in this, looking to the volunteers to do some of this work for us. I think that is a possibility. We can probably do a good job this coming year, but as I have indicated previously, subsequent cuts are going to make it extremely difficult for us in the smaller parks.

Senator DECONCINI. Do you agree, Mr. Mott, that if, in fact, there is a loss of personnel in these visitor centers at some of these facilities, the ability to oversee the health and safety of the visiting public can be jeopardized?

Mr. MOTT. I think that is possible subsequently. This particular fiscal year, we are concerned about this, and this will be one of the areas that we would not permit cuts to take place that would jeopardize public safety.

Senator DECONCINI. If that comes to pass, like some of the small park supervisors have indicated in Arizona, that visitor center services would have to be reduced, and as a direct result safety may be jeopardized, or health, what would you do? Close the parks, or close them down earlier? What kinds of plans do you have?

Mr. MOTT. Well, we don't anticipate closing any parks.

Senator DECONCINI. Or reducing the hours?

Mr. MOTT. It may be necessary to reduce the hours. In addition to that, we are recommending the donation boxes, which in many of the units are very successful. People do like the National Park Service, and they have made contributions through the donation box which we use for interpretive purposes.

Senator DECONCINI. The donation boxes you refer to—is that money solely held by the Park Service for that purpose, and that doesn't go into the General Treasury?

Mr. MOTT. That is correct.

### DISTRIBUTION OF THE ADDED REVENUES

Senator DECONCINI. Speaking of donations, I personally have not decided whether to support the Park Service proposal to increase the entrance fees. The proposal has improved tremendously from those offered in previous years, I must say, in that 80 percent of the funds collected are designated for the park programs. The difficulty I have—and I guess if you get one-half a loaf or 80 percent of the loaf we ought to be pretty satisfied—but I have difficulty understanding why 20 percent of the money should be collected and go to the General Treasury.

Now isn't there a good reason under these circumstances to amend that legislation and have 100 percent of the funds collected from the user fees go right into the operation of the parks?

Mr. MOTT. We have discussed that subject, and Secretary Horn can answer that question in more detail.

Senator DECONCINI. Mr. Secretary.

Mr. HORN. Mr. Chairman, there are two primary reasons for having the proposed 80–20 split in the fee legislation, the first of which is the general administrationwide efforts to see if we can get a handle on the deficit and see if we can make our contribution.

Senator DECONCINI. Just so we understand, that 20 percent is not for park maintenance. It is to be applied to the deficit.

Mr. HORN. That would basically be going to the General Treasury.

Senator DECONCINI. At least that 20 percent is a tax, you'd say, that goes to the deficit from the people who use the parks.

Senator BUMPERS. You'll get the President to veto it if you call it that.

Mr. HORN. Well, it's been supported so far. The other aspect, and I think the more important aspect, is that we see this as a way to help basically insure that our base operations are not offset in the future. One of the concerns that has been expressed in the last 5 years during any of these fee presentations has been that we raise *x* amount of money on the fee side and then have the base appropriations cut by like amounts. So we have to run the fees to stay in place.

We made the conclusion, and the Secretary made the conclusion, that that was unacceptable, that the fees had to provide major supplemental benefits accruing to the National Park System. Nevertheless, the pressure is always going to be there, that if we raise *x* amount of money, to cut out of our base. We concluded it was more appropriate to make a continuing upfront contribution to deficit reduction as a way to maintain and hold our base appropriations in the out years. So that is the primary reason for the 20-percent contribution to the Treasury.

Senator DECONCINI. You make a good argument on principle for increasing fees in times of Government restraints in order to keep these parks up to standard, but I can't help but say it's really a game that is played, even with 20 percent. We're talking about a small amount of money but we're talking about a tax here. If we need a tax for parks, I'd vote for a tax if it were for parks. But I have some reservations about an across-the-board tax, too, as the President does. I hate to see us play this game, and I wish the administration would consider changing that legislation to 100 percent for park maintenance.

Of the projected $73.7 million that is to be collected for entrance fees, $59 million is designated for park activity. Of that $59 million, only $14 million will be actually used to enhance park operations. So aren't we essentially just taking another park program, like information and publications and visitor transportation systems, adding the cost for fee collection, and then giving whatever is left to the park for operations?

### FUNDS FOR OPERATION

Mr. HORN. Mr. Chairman, our current operation account for fiscal year 1986 provided by Congress—with the 4.3-percent sequestration—is $597 million. That's what the Park Service will operate with in fiscal year 1986. We basically have kept that base amount in our 1987 request, and when you add onto that the $59 million, you bring it up to a grand total for operations of $656 million. Now, of that, approximately $10 million is the cost of collection which we basically have to absorb. So the net benefit accruing to the system above and beyond our present operating level is somewhere in the vicinity of $48 or $49 million. That is the supplemental benefit that will accrue to the National Park System and the users as a result of this fee proposal, coupled with our base appropriation request.

### PROPOSED USE OF FEE COLLECTIONS

Senator DECONCINI. Well, what is the $14 million? Isn't that the only amount that is actually for operations out of that $59 million?

Mr. MOTT. Senator, the $14.2 million will be redistributed to those parks that collect the fees and those parks that do not collect fees on a percentage basis. We are working out that formula now. So they will have that as discretionary money that they can use for their programs related to our basic concept of using the money for interpretation and education, for research and management.

Senator DECONCINI. So everybody is going to get a little piece of it once you come up with a formula; right?

Mr. MOTT. That is correct.

Senator DECONCINI. Out of that $59 million, you have $11.121 million for collection activities, you have $3.4 million for information publications, you have $4 million for visitor transportation systems. You know, shouldn't these items and others that are listed here on page 162 of the NPS really be included in the $597 million that the Secretary mentioned? Aren't we playing a little bit of a game with some of these moneys? Shouldn't all these moneys, with the exception of the collection fees, be going back to the park improvement formula that you talked about that you're working on?

## INFORMATIONAL PUBLICATIONS

Mr. MOTT. Well, actually, that is the way it is being used. For example, at the present time, on publications only 15 percent of the people visiting the national parks buy the publications. We are proposing now to use the entrance fee money to print publications, to give them to the public as they come through the entrance gate, and they will get them free. We think this is very important, because with only 15 percent of the visitors buying these publications, which tell them about the features of the park, the safety factors and things of that sort, we will save ourselves a public liability that takes a considerable amount of money if we make the publications free.

Senator DECONCINI. Excuse me, Mr. Director. Aren't the information publications included in the $597 million?

Mr. MOTT. No; they are not.

Senator DECONCINI. So if you keep the $597 million, you're going to charge for the publications? If you apply $3.4 million, you're going to give it away.

Mr. MOTT. That is correct, and that would come from the entrance fees, so when they come in, we can provide them.

Senator DECONCINI. Is that true with these other items like national resource preservation programs? Would you charge for that if you didn't take $6,971,000 and put it in there from the entrance fees?

Mr. MOTT. I'll ask Mr. Salisbury to answer that.

Mr. SALISBURY. Senator, a lot of our highest priority programs were reduced directly due to the Gramm-Rudman reduction, and the 0.6-percent reduction that occurred late in the appropriation process. Within the $596 million that we are requesting in 1987, we have restored the Gramm-Rudman reduction, even though the $597 million for fiscal year 1986 had the reduction.

So, to put together a fee proposal, we had to move some of the programs previously funded with appropriated funds over into the fee account.

Senator DECONCINI. But you say you added some of those back but not all of them. You cut construction.

Mr. SALISBURY. No; I'm speaking only of the operating account.

Senator MCCLURE. I think it would be helpful to refer to the justification on page 162.

Senator DECONCINI. Yes, sir; I have that.

Senator MCCLURE. There is a table there, and I assume that is what you are referring to.

Senator DECONCINI. Yes; it is. That's what I'm referring to. I guess my problem, Mr. Chairman, is if you collect these user fees that use them for other programs that money ought to be included in the $597 million, I have trouble rationalizing that. I know you want as much money as you can get, but I'd like to see more of it going into the operation of the parks and less into some of these specific items. I just make that observation.

Let me ask you this, Mr. Mott. You talked about, hopefully, not having to reduce the safety and health in the parks due to these Gramm-Rudman-Hollings reductions, but that indeed you might have to cut hours if that were the only alternative you have.

Do you have any plan now to eliminate that potential, or are you working on it, or when might you have that?

### IMPACT OF GRAMM-RUDMAN-HOLLINGS REDUCTIONS

Mr. MOTT. We are working on that at the present time, and the regional directors are putting together that information for us.

I might say that we have notified the regional directors that the following actions are unacceptable categories: one, campground closures; two, curtailment of cost-effective fee collection operations; three, reduction in force or other adverse actions taken against permanent staff; and, four, direct and serious threats to public life, health, and safety.

They have been asked to review their proposals in relationship to those unacceptable items.

Senator DECONCINI. Let me compliment you. I couldn't find any problem with any of those unacceptable items. But assuming that one of health and safety can't be maintained—and as I understood you, one of the considerations you might implement would be reducing the hours of the parks.

Mr. MOTT. That is possible.

Senator DECONCINI. Yes; that is possible. And my question is: Do you have any contingency plan now as to what those hours might be reduced to, or is it too early to tell?

Mr. MOTT. No; I don't have the details, but we will be putting those together, and the regional directors have been asked to get that information together and back to us in the next couple of weeks.

Senator DECONCINI. Can you share that with the committee members when you do have your directors' proposals? Because it would be very helpful to us to know what might happen here if this Gramm-Rudman-Hollings proposal does stick and causes these losses.

Mr. MOTT. We'll be glad to provide that information.

[The information is being retained in the committee files.]

### PROPOSED ENTRANCE FEE INCREASES

Senator DECONCINI. Thank you. Some of these fees increases are rather significant that are suggested here. When you raise fees from the existing $2 per car at the Grand Canyon to $10 per car, doesn't that seem a little bit steep, even with the big-time deficit problems that we face? Wouldn't that kind of jump in price have a dramatic effect on the amount of visitors?

Mr. MOTT. It seems like it when you look at it from that point of view, but when you compare it with what it costs to go to a movie for a family or what the present rates are in the State parks and private campgrounds, and so forth, these fees that we are suggesting are really quite reasonable. And my conversations with people, as I have traveled around the United States, is that they feel they are reasonable, provided that money is made available to the parks that collect the fees.

Senator DECONCINI. Mr. Mott, I'm taking a lot of time. I have a number of questions, Mr. Chairman, about 20, that I will submit.

Senator BUMPERS. Mr. Chairman, may I ask one more question?

Senator MCCLURE. Thank you, Senator DeConcini. The questions the Senator submits will be submitted for response to the record. And all the Members will have until the close of business time tomorrow to submit such questions.

Senator Bumpers.

### HOT SPRINGS NATIONAL PARK—CONSTRUCTION SCHEDULE

Senator BUMPERS. Thank you, Mr. Chairman.

I think it was Mr. Galvin who was talking about the schedule in Hot Springs, and you said the schedule for construction was in three phases to be completed in 1986, 1987, and 1988.

Mr. GALVIN. I said it could be, Senator, if funds were available. It is technically possible to do it in three phases.

Senator BUMPERS. But you're not asking for any money in 1987.

Mr. GALVIN. That is correct.

Senator BUMPERS. So it isn't going to be possible if you don't ask for the money, is it?

Mr. GALVIN. That's correct, if the money is not provided.

Senator BUMPERS. Mr. Chairman, let me say also that Mr. Mott came down to Hot Springs and we had a great time down there. He was a big hit, and he is doing a great job as the Director, and I know he is operating under terrible budget constraints. This is certainly not an ideal budget from my viewpoint, but I do appreciate the fine work he is doing.

Mr. MOTT. I believe you understand that our bids are in for the renovation of the rest of the bathhouse. It looks very favorable. We are really excited about this because it is another opportunity for the private sector and the Government to join together in a major restoration of that area.

Senator BUMPERS. And they're trying to get ready for that down there, Mr. Mott. You made that point clear to them.

### SAGUARO NATIONAL MONUMENT—LAW ENFORCEMENT PROBLEMS

Senator DECONCINI. Mr. Chairman, one parochial last question here on the record for Mr. Mott. You may know the law enforcement problems at Saguaro National Monument are increasing because of the heavy vehicular use on commuter roads surrounding the west unit of the monument. Last year your agency responded to questions that I submitted on that issue. I'll read the Park Service responses to you.

> More than 1 million cars use these roads annually, with an annual average of 60 motor vehicle accidents. The budget restrictions in the form of park staff will eliminate controls on the roads. You further stated that a ranger in the west unit of the park is involved in an average of 9.5 incidents during an 8-hour shift. Resources projected in

fiscal 1986 will provide minimal coverage of law enforcement responsibility by park personnel.

Mr. Director, this was the very purpose the $150,000 that was earmarked in fiscal year 1986 for Saguaro Monument was intended to cover. If those funds are not added to the base of the park and additional permanent personnel not hired to meet the law enforcement needs, how do we expect this problem to be resolved this year or in any year?

Mr. MOTT. I don't have an answer to that, but maybe Mr. Chapman, who is the regional director, could answer that question for you.

Senator DECONCINI. All right.

Mr. CHAPMAN. In terms of meeting those responsibilities, it will be necessary in some cases for moneys to be adjusted between areas in southern Arizona. That will mean that in some cases where there are lapsed positions, I will have to use the funding that is available from those lapsed positions in order to meet that deficit at this time.

Senator DECONCINI. Are you telling me, Mr. Chapman, that the $150,000 that we earmarked for Saguaro is going to come out of somebody else's hide? Is that what you're telling me?

Mr. CHAPMAN. In a sense that is the situation when the $150,000 has to come from available funds. I have no other source than to seek other funding that is freed up by lapsed positions and things of that nature in order to meet that.

Senator DECONCINI. I won't make that mistake again. I thought available funds meant in the entire agency, not just in your region or under your supervisory control.

Mr. CHAPMAN. It comes from throughout the entire Service, but nonetheless, we will still bear the brunt of meeting that deficit.

Senator DECONCINI. Let me see if I understand that. The $150,000, as far as you are concerned, comes from the entire Park Service, but because it's in your region you have to bear a greater portion of it.

Mr. CHAPMAN. That's correct.

Mr. GALVIN. I am advised that in this particular instance, the $150,000 came from servicewide funds available for repair and rehabilitation projects.

Senator DECONCINI. That's what I thought, too. So then he shouldn't have to reduce anyplace else; right?

Mr. GALVIN. Well, to the extent that all regions benefit from that repair and rehabilitation fund, it is difficult to say without looking at the overall program who paid for that, but some project was eliminated to cover that $150,000—not necessarily the western region.

Senator DECONCINI. So $150,000 was found throughout the Park Service someplace?

Mr. GALVIN. That's right, out of the specific fund source we call repair and rehabilitation.

Senator DECONCINI. And that $150,000 was made available to the Director of this area?

Mr. GALVIN. Yes; indeed.

Senator DECONCINI. And specifically for law enforcement on Saguaro?

Mr. GALVIN. That's correct.

Senator DECONCINI. I'd like you to supply for the record how much of that came out of the western region. It sounds to me like the Director is saying he has had to bear the heavy brunt of that, and that wasn't the intent of the author of the amendment, and I'll have to make those corrections so I don't end up punishing the place I want to help with its problem if that's the policy, that a chunk of it comes out of his own hide.

Mr. GALVIN. We will provide that, Senator.

Senator DECONCINI. Thank you very much.

[The information follows:]

### SAGUARO NATIONAL MONUMENT

The $150,000 provided to Saguaro National Monument from within available funds came entirely from the servicewide Repair and Rehabilitation Program. No reductions were made in the base operating funds allocated to other parks in the western region of the National Park Service to cover the additional amount appropriated for law enforcement at Saguaro.

### FUNDING LEVELS IN RECENT YEARS

Senator MCCLURE. To some degree I will repeat some of the areas that have already been covered in the questioning. I will attempt not to repeat them exactly but there is some overlap.

Mr. Mott and Mr. Horn, I want to take just a few more minutes to review for you how we on this committee and we in the Congress have demonstrated our support for the National Park Service.

Back in 1979 and 1980, both the budget estimate and the appropriations level for the operation of the National Park System was about $390 million. Since 1980, the budget estimate has averaged $535 million annually, and Congress has provided $578 million annually for park operations.

In the construction account, budget requests have averaged about $65 million annually since 1980, whereas appropriations have averaged $99 million. This does not include the $100 million provided each year under the Federal Lands Highway Program.

In land acquisition, budget requests have averaged about $41 million annually since 1980, whereas appropriations have averaged $185 million annually.

I think those numbers are impressive in these times of budget cutbacks. While I may be critical of this or that regarding Park Service programs, this record demonstrates how hard we have been trying to support Park Service funding. One reason I wanted to review these numbers is because this is the first time before the subcommittee for each of you. It is also the first time for many of the regional directors. It is important for you to hear from us how we perceive the Service's funding situation.

I occasionally hear how inadequate the funding level is for the Park Service. While there are still a large number of unmet needs, it is in spite of the fact that the administration and the Congress have been trying extremely hard to support the Service.

Another reason I wanted to review those numbers is that I recognize how difficult it is for an organization such as the Park Service to adjust to across-the-board reductions, such as is resulting from the Deficit Control Act. However, I also think that it is important to recognize the base against which those across-the-board cuts are being made. We have experienced in the past 5 years the most rapid funding growth, and the slowest rate of addition of new parks, in the past 25 years.

Would either of you, Mr. Horn or Mr. Mott, care to respond?

Mr. HORN. Mr. Chairman, I think there is a great degree of cognizance within the Department over the efforts made to improve the National Park Service and the operations of our parks. Obviously, in the first 5 years of the administration, with the cooperation of this committee and Congress, there was the funding for the Park Restoration Improvement Program, which was to correct serious health and safety deficiencies identified in the late 1970's, and I know that anybody who travels throughout the National Park System can see the direct beneficial results of that program.

Senator McCLURE. Mr. Horn, that has been over $1 billion in the last 5 years.

### FISCAL YEAR 1987 BUDGET LEVEL

Mr. HORN. The budget this year was not an easy budget to put together, but given the fact that we have a growing population and growing use and growing demands on our parks, we made the conclusion, that even though we had to take cuts in our overall budget numbers to meet the deficit reduction targets established by law, it was appropriate to basically focus our resources in this critical area of operations so that the visiting public will have a first-class park system to visit and enjoy. Hence, we focused our cuts in areas such as construction and land acquisition where we wish we had the funds to do things in that area, but given the need to meet the targets, we came to the conclusion that they were not of as high a priority as the need to focus on operations. Hence, we could defer items under both the construction and land acquisition accounts until future years when we hope the budget climate improves. We can expect to be back requesting money for those critical areas.

### A GREATER USE OF PARKS THAN EVER

Senator McCLURE. I went into that a little bit, too. And I said to Senator Bumpers, in response to his last comment, that it is a very strange budget for me to make some comparisons. It is the largest budget ever submitted. It is the largest budget ever appropriated. In the face of budgetary stringency in a lot of other areas in the Government, that is not a terribly constrained expenditure base.

I certainly do agree with you that we expanded the number of park units, we expanded the territory, we expanded the visitors, and we have a great deal more use of the parks. And I would predict if gasoline prices continue to fall, as I think they are likely to do, and if indeed there is still some concern about foreign travel because of security for Americans traveling overseas, we are going to have a greater use of the parks this year than ever before.

That is both good and bad. It means Americans will have the opportunity to use those park units. It also means you have a tougher job to administer them well to assimilate that load of people. They tend to take some of our parks and love them to death. And that imposes upon you a real budgetary constraint.

Mr. Director, how would you characterize the current funding level for the Service?

### IMPORTANCE OF FEE INCREASES

Mr. MOTT. Well, I think if the fee schedule is approved, and we are permitted to use that money within the parks, then I think we can do the job and provide a quality experience. If that money is not available, we think it is a very serious matter for us.

Senator MCCLURE. The margin of success or failure in your budget will be that $59 million item.

Mr. MOTT. That is correct. And I think the public will support this program, from all my observations, although there will probably be a slight dip in the attendance—that is normal under these kinds of conditions—but it will come right back up again in the following years.

Senator MCCLURE. I notice that in your statement you stress that implementation of your new 12-point plan does not require immense new budgetary resources but does demand the efficient use of existing resources. Does that mean that approximately level funding will be adequate in future years?

Do you need continued increases to prevent a reduction of services to the public or a reduction in park resources protection?

Mr. MOTT. Well, I guess it depends on what you mean by future years. I am assuming that with the 12-point plan, with the Department's creativity and innovative ideas and the dedication that our employees have toward the National Park Service, we will be able to do a good job and provide the necessary services the public demands. That doesn't mean that that will be true 5 years from now because the attendance keeps going up, and we have to have funds commensurate with that increased attendance. We think under the present circumstances, with the fee schedule being approved, we will be able to handle 1986–87 without any decrease in our operations and services to the public.

### ACROSS-THE-BOARD REDUCTIONS

Senator MCCLURE. Let me review for a moment how you are making your 1986 Deficit Control Act across-the-board reductions. For example, on page 35 you show a sequestered amount of $2.8 million for the interpretation and visitor services activity. The narrative explanation states that the Service will reduce such activities as guided tours and demonstrations, that the Service will hire fewer seasonals, that the Service will purchase a reduced amount of supplies and materials, and that the Service will shorten the hours of operation at some visitor contact stations.

Do you have a narrative statement, park by park, explaining how DCA reductions will be handled? For example, is the Service closing any facilities in total, such as entire campgrounds at Acadia, Yellowstone, or Yosemite?

Mr. Mott. No; as I indicated to you in this letter that has gone to the field directorate, we have said that actions that would be unacceptable to us in connection with Gramm-Rudman would be campground closures. We are asking that no campgrounds be closed. And I think that the regional directors, with these new directions, will come back with a proposal as to how they are going to handle the interpretive programs, the campground safety and so forth. As I indicated to Senator Bumpers, we will be glad to provide that information to you. They are to provide to us that information and we will make it available to you.

Senator McClure. Did I hear you correctly a while ago saying that interpretive and visitor services won't be cut at all?

Mr. Mott. No; I didn't say that. I said that we do not want to jeopardize our interpretive program by eliminating the interpretive program in any particular park. There may be some areas where we will reduce the amount of time that we spend on this particular program, but we will relate that to the number of people that are in the park in that particular period.

Senator McClure. Your object class breakdown shows $17.4 million, or 65 percent of the total DCA reduction of $26.8 million, being reduced in the object classes for contracting, supplies and materials, and equipment. Can you give me some examples to illustrate these impacts?

Mr. Salisbury. Mr. Chairman, it would be maintenance contracts, for instance, equipment replacement. There may be some research that would be curtailed. We could provide for the record a whole listing of the sorts of things we are talking about.

Senator McClure. I wish you would do that. I am having a little trouble understanding just exactly how you're going to do this thing, and maybe you are, too. I don't mean to be picky about it at all, but we do want to see what it is you are going to do, and we have from other agencies received a much more detailed list of activities to be curtailed than we have yet received from the Park Service.

Mr. Galvin. Mr. Chairman, we do have a park-by-park breakdown of the Gramm-Rudman percentage reductions. As you know, the law requires an across-the-board reduction.

The letter that the Director referred to to the field directorate, that suggests to them that campground closures, health and safety, curtailment of cost-effective fee collection operations are unacceptable, basically came about as a result of a servicewide review of those 4.3-percent reductions on a parkwide basis.

We went through each park and developed those four categories as categories of unacceptable reductions. The regions are now in the process of developing a proposal to defer other things. I suspect in some instance it will be deferral of maintenance to maintain visitor services. At such time as we have those adjusted proposals—and that will be in several weeks as the Director pointed out—we will bring those to the attention of the committee.

Senator McClure. I have only one question in that regard. That is, we got into trouble on park facilities because we deferred maintenance collectively over a good many years, and that is why we just had a $1 billion program to catch up.

### GRAMM-RUDMAN REDUCTIONS RESTORED IN FISCAL YEAR 1987

Mr. Galvin. Yes, sir; I wouldn't doubt that that is going to cause some problems. But given the fact that we have a 4.3-percent reduction in this short-term fiscal year 1986 only Gramm-Rudman reduction, we believe that that is an acceptable alternative to reducing visitor services and increasing the jeopardies to the traveling public.

I might point out that the 1987 proposal, as submitted, will not require a Gramm-Rudman reduction. That is, the Gramm-Rudman reductions have been restored, as Mr. Salisbury testified earlier, in the fiscal year 1987 budget.

Senator McClure. It's a 1-year impact on those particular items.

Mr. Galvin. The numbers in the budget will not require a Gramm-Rudman reduction.

Senator McClure. Well, it won't even require a further reduction for 1987 comparable to the one that has been made in 1986.

Mr. Galvin. That's correct. In fact, it restores the cuts that will be made in fiscal year 1986 as a result of the fee proposal.

Senator McClure. We do have the aggregate numbers for those cutbacks, but we do not have any narrative other than what you have already described with respect to how you are going to apply that. If you'd supply us with further information, it would be helpful to us.

Mr. Galvin. We will provide the park-by-park rundowns as soon as the second round of adjustments have been made.

Senator McClure. Thank you.

Your table on page 20 shows only one entry that does not have a DCA reduction. The Special Summer Program, funded in 1986 at $188,000, is not being reduced. Can you tell me why?

Mr. Salisbury. Those are FTE's, Mr. Chairman, rather than dollars.

### FTE REDUCTIONS

Senator McClure. Are you going to have any FTE reductions in response to the 4.3-percent pullback?

Mr. Salisbury. We were not required to reduce FTE's by 4.3 percent.

Senator McClure. I know you weren't required to, but do you plan to?

Mr. Salisbury. We will not use as many FTE's in fiscal year 1986 as we had initially intended.

Senator McClure. So there will be some reduction there even though it isn't required.

Mr. Salisbury. Correct.

### GRANT PROGRAMS

Senator McClure. Are we reducing the administrative costs associated with managing current grant programs, such as the historic preservation fund, or are we just reducing the amount of money provided to the grantees?

Mr. Salisbury. Both. Of course, we are not requesting grants for fiscal year 1987.

Senator McClure. I'm talking about 1986.

Mr. Salisbury. For fiscal year 1986 the Gramm-Rudman reductions apply across the board, and that includes administrative expenses.

### REDUCTIONS ORIGINATE AT PARK LEVEL

Senator McClure. Who has the final say how a park superintendent chooses to administer this reduction? Did the regional offices provide guidelines to the parks? Did Washington provide guidelines to the regions?

Mr. Salisbury. Well, the parks proposed reductions. The regional directors looked at those reductions and sent them here to Washington. We in Washington looked at them and discovered some areas where we had some concern, and we are now going back to the parks. This is the process that we have mentioned.

Senator McClure. Are you going to try to close the Washington Monument?

Mr. Salisbury. You might want to ask Mr. Fish that. [Laughter.]

Senator McClure. You don't have that in mind?

Mr. Fish. No, sir.

### CONTROLS AT REGIONAL LEVELS

Senator McClure. We have invited the regional directors today and we know this next topic will get them involved in the discussion.

I'd like to use one example to illustrate the power of the regional directors in the National Park Service. By the way, I want to make it clear at the outset that I am convinced that certain programs should clearly be managed at the regional office. My concern is more one of degree rather than a broad philosophical dispute.

Of the $596.5 million appropriated for the National Park System, only 62 percent, or $372.3 million, is included in the base budgets of the park operating units. The remaining 38 percent, or over $200 million, of the NPS account, is controlled either by regional offices or by Washington. It funds various special supporting activities at the regional level, or it is expended by the park units but only as prescribed by the regional offices. It is not unusual for park units to derive 20 to 40 percent of their total annual expenditures from various accounts controlled by regional directors.

Mr. Mott, in your experience, is that a healthy situation?

### CYCLIC MAINTENANCE AND REPAIR-REHABILITATION PROGRAMS

Mr. GALVIN. Mr. Chairman, over perhaps the last decade there has been a considerable growth in accounts associated with maintenance, specifically cyclic maintenance and repair-rehabilitation.

In most instances, those funds are retained at the regional office level. The reason for that is that in many parks the annual requirement for such maintenance money simply isn't there. As an example, a park with several historic houses would require cyclic maintenance money to reroof the buildings perhaps only on a 10-year cycle. That money is then moved to another park in the region that would have annual requirements that are on a different cycle.

Both the Cyclic Maintenance Program and the Repair-Rehabilitation Program have evolved over the past 10 years in response to an awareness that servicewide maintenance needs to be improved.

In larger parks, a certain amount of cyclic maintenance or repair-rehabilitation money should be retained at the park level. But I think principally those regionwide programs are not in that category. They are in the category where attaching money to the park base in any particular year would not make sense because in the following year, the park would not require those funds.

Senator McCLURE. I'm going to pursue that a little further. If we added such accounts as cyclic maintenance, natural science program repair and rehabilitation, property replacement, cultural and natural resources preservation programs, we would see that well over $100 million is managed and controlled by the regional offices, eventually being allocated to the field units for obligation. Why shouldn't we shift some of this money to the park units and reduce the size of the regional office staffs?

Mr. GALVIN. Those programs are not necessarily FTE-intensive, so shifting those funds to the park would not necessarily reduce the size of the regional offices in great measure. As an example, the natural resource management programs and the cultural resources management programs are generally handled by relatively small regional staffs, two or three perhaps in most instances. Most of the money in these accounts is project-oriented, that is, it is done by contract, it is done by day labor crews, it is done by seasonal or temporary employees in the parks. So moving such project-oriented money to the parks would not necessarily result in a proportional reduction, at least in the regional offices.

In addition, many small parks—and the Service is, of course, composed of two-thirds small parks—simply can't afford the kind of technical discipline, architects, engineers, what have you, that are required to carry out some of these projects. So these people are concentrated at regional office levels.

Senator McClure. Secretary Horn.

### ADMINISTRATIVE OVERHEAD REDUCTIONS

Mr. Horn. Within the Department as a whole, there is a major effort to reduce administrative overhead and costs associated with that, for two reasons: one, to make continuing contributions to deficit reduction and, two, by reducing fixed overhead costs to provide additional funding and policy funding expression for high-priority initiatives developed by the Secretary, Assistant Secretaries, or Bureau Directors. That is the general thrust of Under Secretary McLaughlin.

Particularly within the National Park Service proposed budget for fiscal year 1987, that led us to propose the elimination of the Seattle regional office, as part of a general consolidation effort to reduce that type of administrative overhead. Although the savings are rather modest in fiscal year 1987 because of the costs associated with closure, we would estimate that starting in fiscal year 1988 and the years beyond, the closure of that regional office would reduce our costs by $2.2 million annually. I would hope some portion of those savings would then be made available to the Service as a whole for putting them into on-the-ground programs to benefit our parks.

Senator McClure. I was going to make the point that while you close a regional office, it doesn't increase the latitude or the discretion on the part of regional managers to put more money in other regional offices.

Mr. Horn. I think what it does in our mind is it cuts down on administrative overhead, and we can make some contribution to deficit reduction, and then have additional funding available to the Director——

### MANAGEMENT OF CYCLIC MAINTENANCE FUNDS

Senator McClure. But how many parks receive cyclic money each year?

Mr. Salisbury. Probably virtually all of them.

Senator McClure. Why should they have to arm-wrestle the region to get the money?

Mr. Salisbury. Mr. Chairman, because in one year they may receive $100,000 for a very large project, and the next year they would only receive $5,000 for a fairly small project.

Senator McClure. What is the total cyclic maintenance needs of the Service?

Mr. Salisbury. An estimate made by a task force some years ago came up with a figure of around $80 million.

Senator McClure. Is that total, or is that $80 million per year?

Mr. Salisbury. That's $80 million per year in cyclic maintenance. That would not include repair-rehabilitation.

Senator McClure. I gather the impression from your answers that you don't believe there is any problem with the size or the scope of activities of the regional offices, and that you believe that the park superintendents have sufficient discretion over that, that there is no redirection from the regional offices down to the park superintendents. Am I reading you correctly, Mr. Horn or Mr. Mott?

Mr. Mott. I think that is correct.

Senator McClure. Well, I'm not really certain I agree, but maybe you're right. We are going to continue to take a close look at that. Because I think there is a tendency, particularly if there is any kind of cutback any time, as in Gramm-Rudman, to protect the core personnel, and Washington is protected first, regions are protected second, and the park units are at the tail end now and get whatever is left over.

Mr. Mott. As you probably know, under Gramm-Rudman, the cuts are made throughout the system, and they go all the way down to the individual parks and the individual budget items in that particular park. So everybody is being treated exactly alike in connection with this. And we are looking very closely at the organization of the Washington office now with regard to how we can make it more effective and more efficient. That is true with regard to the regional offices. We are looking at those to make sure that they are operating as efficiently and effectively as they can. I think the regional office is also looking at individual parks on that same basis.

So we can say to you that the National Park Service in all of its units is operating at a very effective, creative way, and that we are very responsive to the needs and to the funds that are available to meet those needs.

Senator McClure. If my figures are correct—and I hope they are, and I hope you will correct me if they are not—your budget request represents slightly over 50 percent of the need for cyclic maintenance. And while the support of regional offices is not totally there, the overhead at regional offices is about one-half the size of the total cyclic maintenance budget.

Mr. Galvin. I don't think that is correct, Mr. Chairman.

Senator McClure. Then give me the figures that are correct and supply that for the record if you like. If those figures are correct, that illustrates the reason for my concern. And if they are not correct, I want to stand corrected.

[The information follows:]

### Cyclic Maintenance

The total maintenance budget administered at the regional office level in fiscal year 1986 is $54,074,000, which takes into account the reductions mandated by Gramm-Rudman-Hollings. This amount includes the Cyclic Maintenance Program ($17,627,000), the Cyclic Maintenance for Historic Properties Program ($7,230,000), and the Repair and Rehabilitation Program ($29,217,000). Funds programmed at the regional office level for general administration total $20,521,000. This amount covers the cost of such functions as personnel, budget, finance, contracting, and property management. There is no direct relationship between the amount budgeted for regionwide maintenance programs and the amount budgeted for general administration functions.

### FISCAL YEAR 1986 REGIONWIDE MAINTENANCE AND REGIONAL OFFICE GENERAL ADMINISTRATION FUNDS

| Region | General administration | Regionwide maintenance programs | | | Total, regional programs |
|---|---|---|---|---|---|
| | | Regular cyclic | Cultural cyclic | Repair/ rehabilitation | |
| Rocky Mountain | $3,158,700 | $2,837,000 | $559,400 | $4,647,900 | $8,044,300 |
| North Atlantic | 1,962,600 | 685,700 | 608,800 | 2,121,900 | 3,416,400 |
| National Capital | 3,491,000 | 1,909,600 | 333,000 | 3,893,800 | 6,136,400 |
| Mid-Atlantic | 1,942,700 | 644,500 | 1,062,000 | 1,649,900 | 3,356,400 |
| Southeast | 2,204,100 | 3,411,100 | 803,400 | 3,344,600 | 7,559,100 |
| Midwest | 1,559,700 | 1,047,600 | 658,400 | 1,805,500 | 3,511,500 |
| Southwest | 1,899,300 | 1,607,800 | 1,100,000 | 1,566,100 | 4,273,900 |
| Western | 2,273,000 | 3,957,000 | 1,869,200 | 5,780,000 | 11,606,200 |
| Pacific Northwest | 1,800,700 | 1,286,000 | 163,300 | 1,968,000 | 3,417,300 |
| Alaska | 229,200 | 240,700 | 72,500 | 546,300 | 859,500 |
| Maintenance management system | 0 | 0 | 0 | 1,893,000 | 1,893,000 |
| Total | 20,521,000 | 17,627,000 | 7,230,000 | 29,217,000 | 54,074,000 |

## ADMINISTRATIVE OVERHEAD

Mr. HORN. Mr. Chairman, let me add that I think we generally share a concern that we not put too much of our money into administrative overhead, that money and funds basically be available for use on the ground, and obviously we would be pleased to work with you and the committee to cut down on overhead and improve efficiency and make sure we are getting our money into the resources on the ground which after all is what the National Park Service is here to protect.

Senator MCCLURE. I think that is true. And we expressed this same concern last year. We proposed to shift $40 million into the base program for park units and field offices.

Based on the assurances of the Acting Director that the Service would review the extent to which cyclic maintenance funds are being used for noncyclic maintenance activities, and his assurance that the Service would also improve the definition and management of the Cyclic Maintenance Program, the committee reluctantly dropped its recommendation in conference.

Does each region have in place procedures that guarantee consistency between regions in the allocation of cyclic maintenance funding?

Mr. GALVIN. Mr. Chairman, we are working on a servicewide approach to cyclic maintenance that would achieve those objectives. And in accordance with our promises to the committee made last year at the time of the appropriation and the language that was put in the bill, that is part of an overall programming and budget guideline that we are committed to have in place at the beginning of fiscal year 1987.

Senator MCCLURE. Are you referring to the 10-year maintenance cycle inventory?

### BUDGET GUIDELINES

Mr. GALVIN. Yes; that is part of the program in the budget guidelines.

Senator MCCLURE. When will that be completed?

Mr. GALVIN. By the beginning of fiscal year 1987, September 30, 1986. We have a task force set up. They have made suggestions. The regional directors have commented on that, and we will be working on that guideline in the upcoming months.

[The information follows:]

## CYCLIC MAINTENANCE

### PROGRAM CRITERIA

Cyclic maintenance is defined as specific maintenance activities performed on a fixed periodic basis when the work is predictable and the cycle is longer than once a year. Programs for cyclic maintenance are based on functional inventories and accumulated project lists developed on a park-by-park basis. Projects undertaken in this program are usually performed as often as once every 2 years and as infrequently as once every 10 years. The type of resource or facility, its age, and other factors determine the frequency of cyclic maintenance. Typical examples of cyclic maintenance projects include road resealing, building repainting and reroofing, and sign replacement and repair. The work may require the preparation of simple designs and specifications by engineers, architects, or landscape architects. The work is usually performed by day labor or contract under the supervision of the park staff.

Representative work includes:

### ROADS

Chip and seal (includes prep work, crack sealing, and painting and centerline striping after chip and seal); centerline striping; replacement of the eroded gravel wearing course on gravel roads; application of dust palliative on gravel roads; roadside brushing or vista clearing; bridge deck plank replacement; and reclamite application.

### TRAILS

Heavy brush clearing at, say, 4-year intervals; and tread and waterbar replacement.

### BUILDINGS AND UTILITIES

Replacement of heating/ventilating system components, including burners, furnaces, boilers, ducts, air-conditioners, compressors, fans, motors, et cetera; replacement of sanitation system components, including leach fields, pumps, motors, chlorinators, filters, septic tanks, leach lines, et cetera; replacement of water system components, including well pumps, chlorinators, filter media, et cetera; replacement of electrical or communication system components, including generators, poles, et cetera; replacement of trash collection system components, including garbage cans and dumpsters, sanitary landfill equipment and fencing, garbage packers, et cetera; and replacement of fixtures for comfort stations and restrooms.

### GROUNDS

Replacement of picnic tables and fireplaces.

### OTHER

Replacement of exhibits, amphitheater seats, radio system components, et cetera; dam maintenance; and dock replacement or rehabilitation.

A similar listing of activities has been developed for cyclic maintenance of cultural resources (projects involving prehistoric and historic sites, structures, and objects). The activities include: Ruins stabilization; replacement of protection system components; maintenance and replacement of historic landscape features, including plantings, fences, walks, steps, irrigation systems, drivers, et cetera; reroofing and reflashing; repainting/restaining a building exterior; repainting, replastering, reflooring, et cetera, a building interior; replacement of expendable interior finishes, including floor covering, window coverings, and wall coverings subject to wear and environmental degradation; hardware replacement; stabilizing and repointing masonry; replacement of sill logs and plates in floor systems; residing and repairing siding and wall materials; maintenance of log walls, including daubing, chinking, et cetera; repairs to rails, columns, window sills, sash, trim, doors, thresholds, flooring, et cetera; preservation treatment of building materials; maintenance of chimneys and flues; maintenance of drainage system components, including gutters, leaders, downspouts, drains, et cetera; conservation treatment of museum objects, furnishings, and interior finishes; and maintenance of consumptively used historic furnishings.

Both the regular and the cultural cyclic maintenance programs are funded by park and regional office base funds. The amounts vary from area to area, based on the operating increases requested over a period of years in response to budget calls. Generally, the smaller projects are accomplished with park base funds using park personnel, while the larger projects are accomplished with regional funds by contract or day labor. Regular cyclic funds are identified as project type 28; cultural cyclic funds, project type 38.

### CLOSING OF SEATTLE OFFICE

Senator McClure. I will ask a couple of other questions for the record in that regard.

The following language was included in the Senate report accompanying the 1986 appropriations bill:

"The committee understands that the Service may be considering some regional office consolidations. The committee would like to be consulted in such a review."

Your response to this congressional directive states that, in effect, "The committee will be advised/consulted if consolidations are to be considered."

Based on this exchange, the committee understood that it would have an opportunity to be consulted prior to the Service taking a position on such a consolidation. However, we find that instead of preliminary analyses being conducted on various functional alignments, the Service has a full-blown proposal to close the Pacific Northwest Office in Seattle, WA.

How does the Service reconcile its response to the congressional directive and its budget proposal?

Mr. Horn. Let me say, Mr. Chairman, this matter was brought to my attention last week, and I expressed my chagrin and apologies to the committee. When we were putting the 1987 budget proposal together, looking seriously at where we could achieve efficiencies, and hence came up with the Seattle proposal, we frankly dropped the ball. I have to tender our apologies for not coming to you earlier. I hope that that is not a fatal flaw in getting consideration from the committee on our proposal.

Senator McClure. We will submit further requests for information in that regard.

What does your analysis show about the 1987 costs of moving the 100 regional office employees?

Mr. MOTT. We have done an evaluation of that, Mr. Chairman, and as soon as we get that information we will submit it.

Senator McCLURE. If you would, please. And I have some further questions along that line which I can submit for your response in writing. Perhaps that would be the most expeditious way of getting to those costs.

Mr. GALVIN. Mr. Chairman, our estimates for transfer costs are $825,000 on the assumption that 55 employees will elect to transfer.

Senator McCLURE. And 100 won't?

Mr. GALVIN. Actually, we have 110 employees, and we are anticipating 19 potential retirements, and 36 electing to find new jobs, that is, not moving, leaving a balance of 55 transfers. Those are, of course, assumptions.

Senator McCLURE. Yes; again, I will submit some further questions in that regard.

### WATER RIGHTS

You are proposing an increase of $1 million in fiscal 1987 to respond to court-ordered water rights adjudication cases. Your justification states that you will litigate 25–30 water rights cases in four States in 1987. Can you list the States and provide examples of the cases?

Mr. GALVIN. We can provide detailed information for the record, Mr. Chairman. We stand in a reactive posture generally with respect to reserved water rights. The States query us as to our water rights. Montana and Utah, I know, are scheduled to be two of the more active States in the next several years. We have been active in Colorado in the past few years.

[The information follows:]

### WATER RIGHTS CASES

The National Park Service anticipates involvement in the litigation of 25–30 water rights cases in the States of Arizona, Colorado, New Mexico, and Utah. This will involve the collecting of data needed to document park water requirements and the filing of water claims with the States. The cases will include the assertion of water claims for such park areas as: Bandelier National Monument, Black Canyon of the Gunnison National Monument, Bryce Canyon National Park, Canyonlands National Park, Glen Canyon National Recreation Area, Grand Canyon National Park, Great Sand Dunes National Monument, Natural Bridges National Monument, Petrified Forest National Monument, Pipe Spring National Monument, Rocky Mountain National Park, Timpanogos Cave National Monument, and Zion National Park.

### PARK SERVICE AND STATE OF MONTANA NEGOTIATIONS

Senator McCLURE. I have a press report from the Bozeman Chronicle of Bozeman, MT, with respect to the negotiations between the Park Service and the State of Montana, the Montana Reserve Water Rights Compact Commission.

That press report refers to somebody by the name of Richard Aldridge of the U.S. Department of the Interior. Do you know which part of the Department of the Interior he works for?

Ms. MINTZMYER. Mr. Chairman, he is in the regional solicitor's office in Billings, MT.

Senator MCCLURE. The solicitor's office?

Ms. MINTZMYER. Yes, sir.

Senator MCCLURE. Mr. Aldridge is quoted as saying that there is some assumption that underground water resources follow the surface topography. I am no geologist, but that is certainly a unique theory. I wonder what he bases that on. Do you have any idea?

Mr. HORN. No, sir.

Ms. MINTZMYER. Mr. Chairman, of course, there are varying theories on water rights, of which you are very well aware, and that is our solicitor's opinion on that particular case.

Senator MCCLURE. I wonder where he got his expertise in underground water that indicates that because surface drainage runs in one direction, underground geology follows it?

Ms. MINTZMYER. He is a water rights adjudicator and has adjudicated many cases in water rights law. I am not a lawyer, and obviously not a water rights expert, either, so I am not qualified to react to that.

Senator MCCLURE. I'd feel more comfortable if he were a geologist. [Laughter.]

What position is the Department taking in these cases? Are you limiting your claim to consumptive water use within the park by employees and visitors and to the water resources needed to preserve the basic ecological processes, or is your claim broader than that?

Mr. GALVIN. Mr. Chairman, I would like to have Dick Briceland provide a detailed answer, but the rights that we are claiming vary somewhat depending upon the legislative prescription for the parks and the context. I would say in most instances we are claiming broader rights than just the consumptive ones. We are including ecological processes in our concerns. We are also including consideration for endangered species in some instances.

Senator MCCLURE. Do you have any idea of what kind of terror you strike in the hearts of people throughout the West when you say such things as you should claim all of the water that flows through a park?

Mr. GALVIN. I would think such a statement would indeed strike terror in the hearts of people.

Senator MCCLURE. In arid areas, such a broad and sweeping claim—and I suspect the Solicitor's Department would support that: "Never concede anything; never give up anything; contest every inch of it."

That may speak well for the Solicitor, but I am not sure it speaks well for the administration.

Mr. HORN. Mr. Chairman, I assure you I don't think we are saying that in any case that I am familiar with—before I assumed this job, I had been an Indian water rights negotiator and worked closely with the Montana Compact Commission among others. I am not aware of any circumstance where we were claiming all of the flows.

Deputy Director Galvin indicated we generally have looked at two areas: one, what are the purposes of the park unit, and then we looked at the monument proclamation, a specific act of Congress, and tried in essence to claim that amount of water necessary to fill the prescribed purposes, coupled with the consumptive rights that we need basically to take care of employees and visitors and such inside a park.

### WATER RIGHTS AT DINOSAUR NATIONAL MONUMENT

Senator McClure. Let me ask a question with respect to a specific one. What are your water rights and what are your claims for water rights and your needs at Dinosaur National Monument?

Mr. Horn. At Dinosaur National Monument we were in litigation in the Colorado court, and the question there boiled down to whether or not, in looking at the legal measure for the claims, we would look solely to the monument proclamation, signed by the President, I believe in the early 1930's, or at both the proclamation and the 1916 Organic Act as amended by the 1978 amendments. The court concluded we could only look to the monument proclamation after consultation with the Justice Department. We are not appealing that decision.

Senator McClure. You are now or not?

Mr. Horn. We are not.

Senator McClure. Not?

Mr. Horn. Not.

Senator McClure. Mr. Mott.

Mr. Mott. There are two things they are reviewing at the present time before they make a final decision. One is regarding the water rights below Dinosaur National Monument. If there are water rights below Dinosaur National Monument that permits flow through the monument in a quantity that would maintain the estuarine area, then we don't have a problem in connection with Dinosaur National Monument, either in prescriptive rights or in adjusted rights.

Senator McClure. When you're speaking water rights below the park, do you mean the Federal Government water rights?

Mr. Mott. Private individual water rights as well as Federal Government—both.

Senator McClure. So you are going to look at the flowage through the park in terms of whether or not the flowage itself is maintained?

Mr. Mott. That is what we are most interested in, yes.

Senator McClure. Why are you most interested in that? Why was the monument created?

Mr. Mott. Technically the monument was created for the preservation of dinosaur bones.

Senator McClure. How much water does it take to preserve the bones?

Mr. Mott. That's what the court decided, that we didn't have water rights.

Senator McClure. Then why are you looking at flowage?

Mr. Mott. Only because of the water rights of the people outside the park.

Senator McCLURE. What has that got to do with what you need inside the park or inside the monument? I understand what you're looking at is water rights to determine whether or not the exercise of those independent rights down below would guarantee flowage through the monument. Yet, you indicate that the monument really doesn't need flowage to meet the needs of the monument itself.

Mr. MOTT. Well, I guess that's the question, as to whether——

Senator McCLURE. It was a monument established to protect the bones, wasn't it? And there are a certain number of people that come there to dig them, preserve them, and display them, and a certain number of other people that come to look at them; isn't that correct?

Mr. MOTT. Yes; but it also does have recreation values and esthetic values to have water flowing through the park.

Senator McCLURE. Man, oh man, you're really asking for trouble, aren't you? You want the water because you like it.

Mr. MOTT. Don't we all like to see nice water?

Senator McCLURE. Yes; but what has that to do with the exercise of water rights by the Federal Government?

Mr. MOTT. We are not asking for any rights for this——

Senator McCLURE. You just want to make sure you've got it.

Mr. MOTT. I'd like to have Dr. Briceland answer some of those questions. [Laughter.]

Senator McCLURE. Yes, sir, when in danger, punt. [Laughter.]

Dr. BRICELAND. Mr. Chairman, you have one answer. Would you like another one? [Laughter.]

Senator McCLURE. Well, if it will help.

### WATER-RELATED ACTIVITIES

Dr. BRICELAND. In the Dinosaur case, there were recreation problems because there is a substantial amount of rafting and river activity.

Senator McCLURE. Was the monument created for the purpose of rafting?

Dr. BRICELAND. The monument was not created for that purpose, no, sir. Nevertheless, that has been an activity which has grown over the years and which is something that is very much enjoyed by the visitors. I think the Park Service was entirely right in asking the Solicitor's Office to go forward and to make that claim and to argue the case to see if, in fact, it did have a valid case. It involved a lot of going back into the history of why the monument was created and developing that record. That's all we have done.

In addition to this, there is the riparian habitat that is there.

Senator McCLURE. Is the riparian habitat important to the preservation of the bones that are there?

Dr. BRICELAND. No, sir; it is not.

Senator McCLURE. Is it within the purposes for which the monument was created?

Dr. BRICELAND. There are those who argue that, in fact, it was, that it wasn't a prescribed purpose, but nevertheless——

Senator McCLURE. Is there anything in the record that supports that?

Dr. BRICELAND. We believe there is, and that was brought to the court's attention. The court has decided in the negative.

Senator McCLURE. The basis of that is a proclamation, is it not?

Dr. BRICELAND. Yes, sir; it is.

Senator McCLURE. You looked for the purposes of the monument based on the proclamation. That is what the court told you to do.

Dr. BRICELAND. Yes, sir.

Senator McCLURE. You attempted at the outset to broaden that claim based upon other broader statutes; is that not true?

Dr. BRICELAND. We went back in one statute, the Organic Act and the general creation of parks.

Senator McCLURE. Why didn't you do what some others have done? We bought all that land from Spain in the Louisiana Purchase; therefore, we owned it all. Everything that is out there the Federal Government owns if it hasn't specifically been granted to somebody. Isn't that one of the original claims that was made within the last 10 years?

Dr. BRICELAND. For the Dinosaur case?

Senator McCLURE. No; for all the West.

Dr. BRICELAND. Not to my knowledge, but it is not an area I am competent to comment on, sir.

Senator McCLURE. It may not have been you, but within this Department a claim was made, and I'm glad to see that most of the people in the Department have gotten the message that that wasn't to be made again.

What is the justification of the Federal Government making the broadest possible claim and forcing people who have been in disagreement with that claim to litigate it?

Now, Mr. Secretary, that is a policy question.

### INCREASE IN LITIGATION OF WATER RIGHTS

Mr. HORN. That's why I'm grabbing the microphone.

I think the approach we have taken so far has indicated, No. 1, to be reactive. We have basically been asking for money, and we've asked for additional money this year, because the pressure on adjudicating western water rights is growing, triggered in large measure by a number of pending Indian cases. As a consequence, many States have now gotten very active. There's a major litigation in Wyoming, the compact commission in Montana, activities in Utah, and Colorado.

One of the things we did not want to be was a drag on the process so when a State was ready to move we didn't say, "Wait a minute. We need 5 years to get our hydrologic act together." We want to make sure we have information so we can respond responsibly and in a timely fashion.

As I said, when it comes to asserting rights, what we have tried to look at is, No. 1, our interpretation of the amount of water necessary to fill the park unit purposes. And there we have looked to a combination of the proclamation, the specific enacting legislation, the 1916 Organic

Act, if appropriate, and historical consumptive use rates for park employees and visitation.

These are the criteria that we are employing in setting it. Now, obviously, when you look at the question of park purposes, some people construe those purposes more broadly than others, and we have been trying to make a very hard factual determination so that we basically can prevail. We'd like to make claims that are reasonable, that the courts will adopt, and that, we believe, are consistent with the intent of Congress.

Senator McClure. I know that you know, and perhaps it is redundant, but let me tell you the reason for concern of people in the Western States, such as myself. In my State of Idaho, two-thirds of the land surface is owned by the Federal Government. If the Federal Government makes a claim to all the waters that originate on or flows through Federal land, we have nothing—if the Federal Government has priority, a claim on all of it. We can't live with that kind of claim on the part of the Federal Government. If you want a shooting war out there, just start it. The Sage Brush Rebellion was only a preliminary skirmish, if indeed the Federal Government seeks to use its sovereign authority to deprive the people of the West of their right to live their own lives and make their own determinations of how that life is going to be led.

And I only state that again because it seems to me—I thought we had that settled, but we seem to be slipping back into the broadest possible interpretation of the claims of the Federal sovereignty and right.

### DEPARTMENT'S POSITION ON WATER RIGHTS

Mr. Horn. Mr. Chairman, I don't think that is the intent. The mere fact of Federal ownership is not sufficient in and of itself to establish a water right, at least in my mind, and I think that is where the Solicitor presently stands in the Department. However, in the case of the National Park System, we have specific statutes and specific proclamations that we think do give rise to a very specific reserved water right. The only question we have now is to construe the intent of Congress and to serve the water plan we think emanates from an act of Congress or a Presidential proclamation.

Senator McClure. It ties in with a number of other considerations that we are having to live with. In areas of the country in which there is very little Federal ownership it is not the same kind of threat as it is where there is a high percentage of Federal ownership. The notion that, "Well, people like water"—of course they like water, particularly if it's a desert. And much of the West is very dry, so, of course, they like it. We like estuarine areas. We like rafting and floating and tubing and contemplating and enjoying flowing water or flat water recreation opportunities, whatever they may be. But if that is sufficient justification for the Federal Government to make a claim, as I heard being stated here with respect to waters flowing through Dinosaur National Monument, then indeed we have a problem throughout the West.

Mr. HORN. I think the question of Dinosaur National Monument was looking at what we thought were the applicable statutes and the monument proclamation, what was the appropriate amount of water, to repeat, to let flow through there to fill those specified purposes.

Senator MCCLURE. I hope you will as a policy matter ride herd on solicitors. The engineers like to build roads and lawyers like to fight lawsuits, and you can bank on it that if they can make the claim they will get it into court. That's why they're there. That is why they went to law school in the first place. So if you're going to let them create lawsuits, we'll have lots of them.

Mr. HORN. Frankly I'd much prefer to see us at the negotiating table the way we are in Montana and elsewhere as opposed to being in a court litigating. I think negotiations are a far more productive course of action for us to follow.

## PARK PROTECTION WORKING GROUP

Senator MCCLURE. I agree with that, and I commend you for it. I have nothing against solicitors—not yet. [Laughter.]

They do have a job, and they do want to protect the Federal interests and rights. But that desire to protect should be within constraints.

How much did it cost us to establish the park protection working group and how much is expended on that group annually?

Mr. HORN. It has basically been a staff-related effort, and many expenditures basically representing an expenditure and allocation of staff time to work on the conflict resolution and park protection issue instead of working on something else. We can get you an analysis.

[The information follows:]

### PARK PROTECTION WORKING GROUP EXPENDITURES

The Under Secretary's park protection working group was established in April 1984 to provide an interbureau forum for discussing and addressing a variety of issues commonly called threats to the parks or park protection.

The working group served the Under Secretary and was inititally led by then Deputy Under Secretary William Horn. After a few months, a member of the staff of the Department's legislative counsel was named as chair. The working group consisted of representatives from the Under Secretary's Office, each Assistant Secretary's Office, most of the bureaus within the Department, the Solicitors's Office, and the Office of Policy Analysis. In addition, the Forest Service was invited to participate and sent representatives to each meeting.

Because a great number of policy and program issues often are of interest and concern to more than one bureau or Assistant Secretary, it is common practice to create formal and informal ad hoc working groups and task forces to provide a means for sharing information and expertise and to allow all points of view to be considered. This assures greater coordination among affected bureaus and programs and assures that the Secretary and Under Secretary receive the best possible counsel on important issues. The park protection working group functioned in this manner.

Periodic plenary meetings were held, usually attended by several principals and staff members from the bureaus and Assistant Secretarial offices. Staff from the Solicitor's Office, the Office of Policy Analysis, and the Office of the Legislative Counsel did various research and other analytical tasks. This work was performed as part of their regular duties, which ultimately are to provide professional staff support to the Office of the Secretary.

There were no costs associated with the establishment of the working group. Further, it is not feasible to determine the amounts expended annually on the working group. All of the costs associated with the group were for the time of staff and principals, and their work was part of normal assignments and responsibilities. No new duties were assigned nor were extraordinary requirements imposed on Bureau or Department officials. Since the working group was a normal mechanism for assuring interbureau and interprogram coordination and policy development, no new staff or other resources (such as space and equipment) were required.

### PARK PROTECTION WORKING GROUP ASPECTS

Senator McClure. If you would do that.

First of all, I understand the need for trying to move in this direction. I am trying to understand exactly what its implications are and what it may mean.

As I understand the personnel management aspects of that effort, the Service is trying to institutionalize on the part of the Federal land manager a heightened awareness of conflict anticipation, avoidance, and resolution by rewriting position descriptions and performance standards, by making the coordination/communication/participation standard an important factor in promotion decisions, and by providing cash and other awards for good performance in this area.

How are you going to review performance to distinguish whether people are merely involved as compared to whether people are managing and reducing conflict?

Mr. Horn. I think obviously it is going to be a job throughout the system from the Secretary's Office all the way down to see to it that in doing the personnel evaluation we look to not only the cooperation and consultation but are we indeed reducing conflict? Are we producing results? We don't necessarily want to create a situation where someone earns points, so to speak, for basically just highlighting issues or throwing monkey wrenches into things. What we are looking for is genuine cooperation among Federal land managers and genuine productive results.

That is something that is a clear direction from the Secretary and Under Secretary and is contingent upon all the Assistant Secretaries and Directors and regional directors to make sure that the Secretary's wishes in this particular area are carried out and carried out effectively. It's just going to require some homework on our part to do our job when it comes to those personnel evaluations that we do on a regular basis.

Senator McClure. There is a vote on, and I think we can probably best accommodate your schedules and mine by submitting the balance of my questions for the record for response in writing. But before doing that, let me express my concern.

If you succeed in institutionalizing this working arrangement on external decisions—and these are decisions that are with respect to resources external to park boundaries—don't you create the condition by which there could be endless litigation over whether or not you have appropriately proceeded to affect local zoning, local planning, local water resource allocations, fish and game commission decisions, Forest Service decisions on management of the forests—all kinds of activities by every other governmental unit imaginable?

Mr. Horn. We have frankly concluded that. In other words, basically, taking this type of discretionary action and establishing personnel standards would not give rise to any third party or independent lawsuits that someone didn't do something that they were obligated to do, so we don't think that that is a particular threat since there is no specific direction from Congress. We are doing this as a matter of our policy discretion.

Secondly, I think it is important to note that this approach to conflict resolution is not confined to the National Park System. We have basically intended that the Bureau of Land Management be fully apprised of what the National Park Service and Fish and Wildlife Service are doing so that management activities in the units of the park protective system may have effects or consequences on adjacent land. They may then have an appropriate opportunity and an early opportunity to comment on the process.

### BASIS OF FEDERAL LAWSUITS

Senator McClure. Let's look for a moment at grizzly bear management at Yellowstone National Park, as an example. You've got an institutionalized method now of interrelating with non-Park Service people. Well, let's look up in Montana rather than at Yellowstone. Let's look farther north at Glacier as an example. Montana has a hunting season for grizzly bear. Is somebody going to bring suit because you haven't interacted well enough with the State of Montana?

Mr. Horn. I think any lawsuit that might arise in that circumstance would come out of the specific provisions of the Endangered Species Act and would not have to do with inadequate consultation.

Senator McClure. Have you consulted adequately?

Mr. Horn. Well, we believe we have, and in that case, the lawsuit would only arise in relationship to any potential Federal or State violation of a specific statute.

Senator McClure. If you introduce the gray wolf into Yellowstone—and I'm not opposed to introducing the gray wolf into Yellowstone, as you know—but if you introduce the gray wolf into Yellowstone, and you haven't consulted with every agency—State, local, and other Federal agency—and some of those wolves wander across the border, being uneducated in geography—when they walk across the border, have you exposed yourself to a possibility that you didn't consult adequately, and, therefore, paralyze the activities within the park?

Mr. Horn. I think any problem of a lawsuit from a violation of the Endangered Species Act, it's an internal process that you could establish.

Senator McClure. But you are establishing a new process. And once established, you have to follow it, don't you?

Mr. Horn. True. But the way we look at it, it is a process that does not offer anybody on the outside judicial relief or judicial enforcement. We don't basically bring it into the court——

## ADDITIONAL COMMITTEE QUESTIONS

Senator McCLURE. Convince me of that. I have some further questions which I will submit for the record. And if you will include in that your citation of legal authority and memorandum of opinion that substantiates what you just told me.

Mr. HORN. I will be glad to, Mr. Chairman.

Senator McCLURE. Thank you very much. I'm sorry we can't pursue these questions a little further. I will submit some further questions for the record.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

### Cyclic Maintenance

1. Question: Have any additional management controls been put in place in the past 6 months that are designed to ensure that cyclic maintenance funds are being used for cyclic maintenance projects?

Answer: The Service reissued guidelines, as part of the instructions for developing financial plans for fiscal year 1986, that clarify the criteria for cyclic maintenance projects and direct each Regional Office to closely monitor the programming and expenditure of cyclic maintenance funds. Adjustments were made in the fiscal year 1987 Budget Justifications to more accurately align cyclic funding levels with projected project needs. In addition, a year-end accomplishment report will be prepared by each Region that documents how programmed funds were actually spent.

2a. Question: Would you describe how you allocate the cylic maintenance funding between Regions?

Answer: Cyclic maintenance funding is allocated to the Regions on the basis of project requirements in the 10-year Cyclic Maintenance File. Base amounts and future requirements established for each Region are reviewed as part of the normal budget formulation process, and shifts in the program levels are executed as necessary. The Service has updated the guidelines and instructions for development of the Cyclic Maintenance Program to ensure consistency among Regions in identifying and presenting future requirements.

2b. Question: Would you agree that part of that allocation process involves a political judgment? How should the allocation process work?

Answer: The process involves little in the way of "political" judgement, but does require the evaluation of trade-offs between many competing requirements. An ideal process would allocate funds based on established cycles for cyclic maintenance. Such a process, however, could only work if sufficient funding is available in any given year to complete all scheduled projects.

### Regional Office Closing

3a. Question: What does your analysis show about the 1987 costs of moving the 100 regional office employees?

Answer: As part of the effort to streamline administrative and support functions, the Service is proposing to close the Pacific Northwest Regional Office and incorporate its operations mainly in the present Western Regional Office, with Idaho being consolidated in the Rocky Mountain Regional Office and Arizona being transferred to the Southwest Regional Office.

It is estimated that of the 110 Regional Office employees, 55 will elect to transfer at a cost of $825,000. Of the remaining 55 employees, there are 24 eligible for retirement. It is estimated that 19 would opt to retire rather than move. The remaining 36 employees will either elect to find other Federal jobs or separate from Federal service.

3b. Question: Your budget does not assume 1987 savings from closing the Seattle regional office. Will it cost something in 1987?

Answer: There are no additional costs or savings anticipated in fiscal year 1987 due to the closing of the Pacific Northwest Regional Office. It is estimated that the 1987 costs associated with the closing, such as separation pay, transfer costs, and transportation of the office contents will equal the 1987 savings realized.

3c. Question: How much will be saved in future years?

Answer: Reduced operating costs for fiscal year 1987 will be mostly offset by these one-time expenses for lump sum leave and severance payments for those employees who choose not to relocate or relocation expenses for those who move to other positions. The annual savings in future years, starting in fiscal year 1988, are estimated to be $2,192,000, including 40 FTE's.

3d. Question: Will the savings be solely the result of fewer personnel?

Answer: The savings realized through the Seattle Office closing will stem from two sources:

1. There will be approximately 40 fewer FTE's required to support the Field Offices; and

2. A net savings of $648,900 per year will be realized through reduced operating costs for the Seattle Office.

3e. Question: What type of reduced operating expenses do you anticipate in 1987 and future years?

Answer: The reduced operating expenses, starting in fiscal year 1987, are anticipated to be $2,192,000 as follows:

| Projected Savings | Fiscal Year 1987 and Future |
|---|---|
| Salary Costs | $1,543,300 |
| Contract Costs | 228,700 |
| Space Leasing | 420,000 |
| | $2,192,000 |

These operating cost savings will be offset in fiscal year 1987 by the costs associated with the office closing.

## Park, Recreation and Wilderness Planning/ Water Resources Studies

### Water Rights

4a. Question: What will the Service actually do with the additional money?

Answer: The additional funding requested for fiscal year 1987 will be used to: perform critical water needs studies involving data collection and analysis; determine instream flow requirements essential for ecosystem maintenance; identify and inventory Federal reserved and appropriative water rights for National Park Service units; determine current and future water use and needs; develop a Federal Water Rights Data Base Management System for the National Park Service; and prepare water right dockets to document National Park Service water rights. These activities cannot be deferred without loss of entitlement and available water resources.

4b. Question: How many cases need to be adjudicated in the next 5 to 10 years?

Answer: The majority of the workload will be in the 19 western States, including Alaska; at least 100 water right adjudications for National Park Service units are anticipated. It is not possible to provide an accurate estimate since these adjudications are court-ordered proceedings (McCarran Amendment actions). This estimate does not include adjudications where the National Park Service objects to water right claims that appear to injure the Service's water rights. As development increases in the West, pressures on National Park Service water resources will become more widespread and intense.

5a. Question: How many park units are affected?

Answer: Approximately 74 park units are currently affected.

5b. Question: How many of those units have had water requirements determined and quantified?

Answer: None to our knowledge. The National Park Service has submitted numerous claims as required under McCarran actions and is currently gathering proof for each one to defend the water rights.

5c. Question: How many park units have been quantified to date?

Answer: The adjudications are based on drainage basin rather than park unit. Most park units contain multiple drainage basins. We are still quantifying water needs at most National Park Service areas. We are aware of only two drainage basins (one in Death Valley National Monument and one in Yellowstone National Park) with fully adjudicated Federal reserved water rights, i.e., finally quantified.

Park Protection Working Group

Your Working Group recommendations include the following statement:

> "Success in all aspects of resource conflict anticipation, avoidance, and resolution requires greater attention to activities and events outside the physical and organizational boundaries of the land managing agencies. That, in turn, depends on employees throughout the agencies being more aggressive in broadening their scope of interest and becoming more involved in participating in planning, regulating, and other activities."

While I will take you at your word that the intent is to resolve conflicts, I am also concerned that this type of language gives Federal land managers a license to maximize their influence and control, even off of Federal land.

6. Question: How will your system manage this type of problem? Plus citation of legal authority and memorandum of opinion.

Answer: The Federal land managers' role in reference to non-Federal land is as follows:

Like all landowners, the Federal Government has an interest in how events and activities in the surrounding area may affect the land it administers. Typically these events and activities include zoning and planning decisions, permitting of facilities, the location and nature of roads and other infrastructure, and the actual use of nearby lands.

Federal land managers are charged with the administration and management of certain Federally owned lands. Part of their responsibility is to monitor the environment (whether it be physical, regulatory, or other) around the lands they manage and to participate in decisions that may affect those lands. The exact form of their monitoring and participation depends to a great extent on the nature of the activities.

However, at a minimum, Federal land managers have a responsibility to determine how changes around the lands they manage could affect those lands and to make that information known to the appropriate authorities (which may be local or State officials, other Federal agencies, or even private organizations and individuals). When changes to the environment around Federal land could adversely affect interior lands it is appropriate for the manager to present alternatives that avoid or minimize adverse effects.

There are a variety of means for the Federal land managers to exercise their responsibilities, including assisting in planning and data gathering; reviewing plans, studies, and other documents; meeting informally with appropriate officials; and presenting oral and written testimony and findings. One of the major goals of the Department's Park Protection/Conflict Resolution approach is to develop good, ongoing communications between Federal land managers and their Federal and local counterparts so that potential problems can be discussed and evaluated early, before agencies (Federal or State/local) become locked into firm positions that are difficult to modify.

In addition to being early active participants in the events that surround them, Federal land managers are expected to assist State, local, and private decision making processes by contributing timely information on planned management changes on Federal lands. The current effort to remind Federal managers of their responsibilities derives from a concern that many decisions are made without the benefit of information about how Federal lands could be affected or how Federal land management decisions affect local entities. There is no intent to exercise undue control or influence over non-Federal lands. Rather, the intent is for an early and mutual sharing of information and ideas about actions with the potential to have effects on Federal lands and resources.

The legal authority for Federal land managers to become involved in the decision process on activities that could affect Federal lands stems from the National Park Service Organic Act, as amended (16 USC 1), the Federal Land Policy and Management Act (43 USC 1701), and other general authorities to manage Federal lands. In addition, several other statutes provide specific roles for Federal land managers in certain decisions (e.g., the Clean Air Act) or mandate that certain procedures be followed in making decisions (e.g., the National Environmental Policy Act and the Endangered Species Act).

You also raised the corollary issue of whether or not this consultation could lead to additional litigation, for example, in a situation where the Under Secretary's task force was not involved in an Interior decision. The case law is quite clear that where Congress has established a consultation responsibility, such as the Endangered Species Act, the decision making process must conform to that statute and its implementing regulations. Non-compliance could lead to judicial injunction.

Similarly, where the rights of private parties are involved and the Department's regulations established a procedure for resolving those issues, such as the validity of mining claims or termination of grazing leases, non-compliance with existing regulations or procedures could lead to judicial intervention.

Management procedures established in the Department, however, designed to assure greater communication between Federal land managers, State and local jurisdictions, or just plain intelligent decision making, do not receive the same judicial recognition. Each Secretary is entitled to establish ad hoc coordination, communication and consultation processes within the Department. The establishment of these informal processes is not subject to judicial review; and the process of decision making, regardless of whether or not the process was ignored or complied with, is not subject, as a general rule, to judicial review in the context of the process. In effect, the role for judicial review is whether the decision was arbitrary, capricious or unlawful based upon the record before the decision maker. The communication process that led to the creation of the record is distinguishable from the record itself.

Fee Proposal

7a. Question: One of the most interesting aspects of your 1987 proposal is the legislation to be submitted later to raise park entrance fees. I will have an opportunity in my other Committee assignment to review your proposal in detail but I did want to ask you at least a few questions here. If we enact the fiscal 1987 budget as proposed, but the Congress is not able to agree on fee legislation, what would be the impact on park operations?

Answer: If user fee legislation is not enacted by Congress, the Service would propose a revision to the fiscal year 1987 budget. In essence, this revision would require parks to operate in 1987 at the fiscal year 1986 level after the Gramm-Rudman-Hollings reductions. Minor cuts in lower priority programs below the Gramm-Rudman-Hollings level would also be implemented. The Service, therefore, would be required to continue reduced park operation functions such as visitor services and maintenance in fiscal year 1987.

7b. Question: By my calculations, you have cut $38.8 million out of the park operations budget and are hoping that Congress will enact fee legislation. What happens if the fee legislation is not enacted, or perhaps is enacted but we have another energy embargo and park visitation drops 20%?

Answer: The revenue projections from the entrance fee proposal presented in the fiscal year 1987 budget are conservative and should be attainable. However, if the projected receipts are lower than estimated, a priority system will go into effect detailing which programs will face curtailment. These are programs which are funded through the "Fee Program" account. The priority system is:

| Priority | Program | Amount ($ in thousands) |
|---|---|---|
| 1 | Fee Collection Activities | $11,121 |
| 2 | Visitor Transportation Systems | 4,002 |
| 3 | Informational Publications | 3,400 |
| 4 | Cultural/Natural Resource Preservation | 12,164 |
| 5 | Exhibit Rehabilitation Program | 3,962 |
| 6 | Volunteers-in-Parks Program | 990 |
| 7 | Enhanced Park Operations Program | 14,207 |
| 8 | Maintenance Repair and Rehabilitation | 9,154 |
|  | Total | $59,000 |

The priority system acknowledges the importance of funding user oriented and labor intensive activities and that research and enhanced programs could be temporarily deferred without having a major impact.

8. Question: I'm really asking a question regarding when and how the receipts money should flow to the Service. Should we establish a permanent indefinite appropriation, as you have suggested, or should we appropriate the estimated receipts each year, or should we appropriate prior year actual receipts a year later?

Answer: The proposed permanent indefinite account is critical to the success of an approach. It has the advantage of keeping the recreation fee separate in the normal budget formulation process, consistent with the idea that fee revenues should supplement, rather than offset, regular appropriations. Further, the American public is assured that their fees will be used to enhance operations of the national parks.

9. Question: Why did you decide to split the total revenues 80%/20%, with 80% going to park units and 20% going to the general fund?

Answer: The proposed legislation on recreation fees would supplement appropriation requests for the National Park Service by $59 million, which is less than 10 percent of the total estimated cost $655 million to operate the National Park System in fiscal year 1987. Since the general taxpayer is financing more than 90 percent of the cost of National Park System areas at a time of unprecedented budget deficits, it is appropriate to earmark a portion of the revenues from recreation fees to help reduce that deficit and to support our position that National Park Service appropriations not be offset by fee revenues in future years.

10. Question: I notice that you have added $20.2 million in enhanced program activities from fee revenues (p. 162). For example, $5.0 million would be used to offset fee collection costs; $503,000 would support volunteers; and $510,000 would be used for more brochures. What will the remaining $14.2 million be used for? Will it be cyclic-type work or natural resource conservation or pay for park police or will it pay for travel and training? When will we know what it is?

Answer: The $14.2 million earmarked for park use under the proposed Fee Program will be returned to park areas to supplement current operating programs such as research, resources management, interpretation, and maintenance. This could include training for park staff, limited travel or other related activities. Approximately 77 percent of the $14.2 million will be distributed on a proportional basis to those parks which generate revenue. The more a park collects, the more it will receive of this 77 percent. The remaining 23 percent will be distributed to areas that do not charge either an entrance fee or user fees to finance similar operational improvements. A projected distribution of these funds will be available in a few weeks. The actual amount will, of course, depend on the exact amount collected by each park assuming the proposed legislation is enacted.

11. Question: What assumption does your revenue projection make concerning rates of visitation in 1987 versus 1980 through 1985 actual data?

Answer: The revenue projects include an assumption that the increase in fees will result in a short-term decline in recreation visits of 20 percent from the fiscal year 1985 level. This is a "worst case" attendance decline estimate and was used in order to keep our revenue projections conservative. Data analyzed for State parks which either instituted or increased fees do not reflect declines of the magnitude our numbers reflect. In fact, some argue the declines experienced were more related to other factors such as the gas shortage and weather conditions. However, the data indicates the declines are short-term.

12. Question: What will happen to public acceptance of the fee program if we divert the revenues to other park units or to lower priority efforts?

Answer: Public acceptance to the Fee Program will hinge greatly on the perception that these monies are directly benefitting the parks. The Service believes that its broad public support will allow the redistribution of funds to both collecting and noncollecting parks. We feel that fee revenues should support a broad range of park programs that benefit all units of the National Park System. It is felt that by using these funds for projects rather than personnel, public acceptance will be solidified because the results will be tangible.

The competition within the National Park Service for project funds assures that no lower priority efforts will be funded with revenues through the Fee Program.

13. Question: I notice that the description of the proposal does not address user fees. Will there be a 1988 user fee legislative initiative?

Answer: The National Park Service is requesting the authority to use revenues from user fees as part of the proposed legislation. Since the Service presently has the authority to establish and adjust user fees, a separate legislative initiative for this purpose is not required.

## Law Enforcement Program and Funding

I have two law enforcement issues I would like to discuss here today. First, we have just received a General Accounting Office report, prepared at my request, that concludes that the Service has abused the emergency law enforcement expenditure authority provided by the Committee. The General Accounting Office report says, in part, that "Each of the Interior Department's appropriation acts since 1972 for the Park Service has included emergency expenditure authority for the Park Service for unforeseen or other emergency law enforcement authorities. The Park Service, however, used this emergency law enforcement expenditure authority during fiscal year 1984 to fund routine and annually recurring law enforcement costs.... The National Park Service is using congressionally approved funds from other approved budget areas for law enforcement activities.... We are concerned that this funding approach works against efforts in the construction, land acquisition, and other Park Service appropriation areas from which emergency law enforcement funds were obtained."

In 1984, at Gateway National Recreation Area and Golden Gate National Recreation Area, the Park Police used $726,338 in emergency law enforcement costs for anticipated, routine, and recurring law enforcement activities.

NATIONAL PARKS

March 1986

Law Enforcement Capability and Cost Comparisons at Two Recreation Areas

## EXECUTIVE SUMMARY

Gateway and Golden Gate National Recreation Areas, created in 1972, provide the urban populations of New York City and San Francisco with a multitude of recreational opportunities. The Senate Committee on Appropriations has questioned the use of U.S. Park Police to carry out law enforcement activities at the two parks because (1) national Park Rangers carry out similar law enforcement activities at other national parks and (2) Park Police personnel costs are higher than those of Park Rangers.

Because of these concerns at Gateway and Golden Gate, the Chairmen of the Subcommittees on the Interior and Related Agencies, Senate and House Committees on Appropriations, asked GAO to report on the

--ability of Park Rangers to adequately provide visitor and resource protection (law enforcement services) and

--comparative personnel compensation, benefits, and pension costs of Park Police and Park Rangers.

**BACKGROUND**

The National Park Service is responsible for maintaining law and order and protecting persons and property within the national park system. These services are provided by the Park Service's two law enforcement organizations, the U.S. Park Police and the Park Rangers. The Park Police is an urban-oriented police force that was created to provide law enforcement services to the national park areas and monuments in Washington, D.C., and the surrounding area. Park Rangers were to be responsible for visitor and resource protection at all other areas of the national park system.

The creation of Gateway and Golden Gate in urban areas heightened Park Service concerns for the safety and protection of park visitors and resources. Since Park Rangers had no formalized law enforcement training at that time, the Park Service permanently assigned the visitor and resource protection duties at both gateways to the Park Police in 1974. In 1977, however, the Park Service established a voluntary "commissioning" program that provided Park Rangers with law enforcement training. Currently, 84 Park Police and 34 Park Rangers perform law enforcement activities at both gateways.

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**RESULTS IN BRIEF**

Commissioned Park Rangers can perform the law enforcement function now handled by Park Police at Gateway and Golden Gate. In addition, by replacing Park Police with commissioned Park Rangers and eliminating Park Police positions, long-term personnel and pension cost savings are possible, even though such action would increase short-term costs. According to the Park Service, however, such action raises concerns that need to be considered before deciding whether to use Park Police or Park Rangers at Gateway and Golden Gate.

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**PRINCIPAL FINDINGS**

Visitor and Resource Protection

Park Service, Park Police, state and local police, military police, and other officials believe that commissioned Park Rangers are capable of providing visitor and resource protection at Gateway and Golden Gate, on the basis of their law enforcement training and performance.

Park Police and commissioned Park Rangers receive training in similar areas such as detention and arrest procedures, use of firearms, legal procedures, and self-defense. Park Police training in these areas is more extensive than that given Park Rangers (680 hours vs. 360 hours).

Park Police and commissioned Park Rangers also have to handle similar law enforcement offenses such as homicide, rape, robbery, and assault.

Park Service officials pointed out, however, that several factors need to be addressed before the Park Police can be replaced by commissioned Park Rangers. They include further assessment of Park Rangers' off-federal-parkland law enforcement status, the public's recognition of Park Rangers' law enforcement authority, and potential recruitment and retention problems.

Cost Comparison

In 1984 law enforcement costs were about $2.3 million at Gateway and $1.7 million at Golden Gate for 84 Park Police and 34 commissioned Park Rangers, respectively. If the 84 Park Police had been replaced by 91 commissioned Park Rangers (minimum resource requirements identified by the two park superintendents), personnel compensation and benefits costs at the two parks may have been reduced in 1984 by $740,338. However, the Park Service might have incurred a one-time cost of as much as $2.94 million in relocation expenses and $199,381 in law enforcement training expenses to commission 91 Park Rangers.

The Park Service would have realized personnel cost savings in 1984 and in subsequent years if, in addition to replacing Park Police with Park Rangers at Gateway and Golden Gate, 30 Park Police positions were subsequently eliminated from the Park Service; the result of a major assumption used for GAO's cost comparison. Under this approach the Park Service would have saved (1) $802,314 in annual recurring personnel compensation and benefits costs and (2) $3.2 million in pension cost savings, with an additional $40,000 to $1.2 million in annually recurring pension savings, depending on the grade levels; time in service; and termination dates of the 30 Park Police. If the 30 Park Police positions were terminated, the Park Service might have incurred $199,381 in training expenses, but relocation expenses might have decreased from $2.94 million to $2.44 million. In addition, severance and unemployment compensation pay for the 30 Park Police might have cost as much as about $69,000 and $161,000, respectively, according to Park Service officials.

**RECOMMENDATION**

To assist the Congress in deciding which police force should be used at Gateway and Golden Gate, GAO recommends that the Secretary of the Interior assess recruitment and retention problems and the difficulty in obtaining off-federal-parkland law enforcement authority for commissioned Park Rangers at these areas. In addition to the enforcement capabilities and cost information discussed in this report, the results of the assessment should provide the Congress with adequate information on the consequences of shifting the work force from Park Police to commissioned Park Rangers.

**AGENCY COMMENTS**

The Department of the Interior agreed with the report's recommendation stating that the additional information gained through the assessment would be beneficial but disagreed with several report statements and ensuing conclusions. Interior's disagreements generally relate to commissioned Park Rangers' law enforcement qualifications and police authority needed to adequately provide law enforcement services at Gateway and Golden Gate.

GAO recognizes the concerns raised by the Department and is calling for an assessment by Interior to quantify the extent of the problems associated with using a commissioned Park Ranger force at Gateway and Golden Gate.

March 1986

## Emergency Law Enforcement Expenditures at Two Recreation Areas

MAR 7 1986

B-218958

The Honorable James A. McClure
Chairman, Subcommittee on Interior
  and Related Agencies
Committee on Appropriations
United States Senate

The Honorable Sidney R. Yates
Chairman, Subcommittee on Interior
  and Related Agencies
Committee on Appropriations
House of Representatives

Your letter of December 17, 1985, requested a review of how the National Park Service uses its emergency law enforcement expenditure authority at the Gateway, New York, and Golden Gate, California, National Recreation Areas.[1] As agreed with your offices, we limited the scope of our work to emergency expenditures incurred at both of the gateway areas in fiscal year 1984. Your request stemmed from our work on the law enforcement capabilities and cost comparisons of U.S. Park Police and Park Rangers at Gateway and Golden Gate,[2] which we performed at your request.

In summary, the National Park Service is responsible for maintaining law and order and protecting persons and property within the National Park System. These law enforcement services are provided at Gateway and Golden Gate by the Park Service's two law enforcement organizations, the Park Rangers and the U.S. Park Police. The Park Service receives annual congressional appropriations to pay for these recurring and routine law enforcement activities.

The Park Service may use its emergency law enforcement expenditure authority to pay for emergency and other unforseen law enforcement activities. This authority allows the Park Service to use any of its appropriated funds for emergency and other unforseen law enforcement situations, such as unplanned public demonstrations and, since fiscal year 1982, for emergency search and rescue operations, such as accidents or natural disasters, in the park system. We found, however, that in fiscal year 1984 the Park Service incurred $726,338 in emergency law enforcement costs for anticipated, routine, and recurring law enforcement activities at Gateway and Golden Gate. These costs represented law enforcement coverage for such activities as high park visitation during summer months, conventions, and folk festivals. By using funds budgeted for other activities to pay for routine law enforcement activities at Gateway and Golden Gate, the Park Service has been using congressionally approved appropriations for construction, land acquisition, and other activities. The Park Service has taken this approach because past efforts to include funds for these activities in its budgets have proven unsuccessful.

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[1] Gateway and Golden Gate National Recreation Areas are two of several "urban parks" in the country. These parks were created near urban centers to give residents easier access to the National Park System.

[2] National Parks: Law Enforcement Capability and Cost Comparisons at Two Recreation Areas (Draft report GAO/RCED-86-40).

## SCOPE AND METHODOLOGY

During our review, we obtained and analyzed pertinent legislative, administrative, and budgetary information from the Park Service and Park Police headquarters offices in Washington, D.C.; regional offices in Boston, Massachusetts; and San Francisco, California; and field offices at Gateway and Golden Gate. We also reviewed the Park Service's fiscal year 1984 Gateway and Golden Gate emergency expenditure documents and obtained information and opinions from Park Service officials regarding the use of funds at both gateway areas for emergency law enforcement purposes. Our review was conducted during January and February 1986, in accordance with generally accepted government auditing standards.

## LAW ENFORCEMENT RESPONSIBILITIES

The National Park Service is responsible for maintaining law and order and protecting persons and resources within the National Park System. The Park Service's law enforcement powers are provided for in the 1976 "General Authorities Act" (Public Law 94-458) 16 U.S.C. 1a-6, which gives the Secretary of the Interior specific statutory authority to designate Park Service employees to maintain law and order within the park system. All Park Police and Park Rangers who have received "commissions" as a result of special police training were granted the right by the Secretary of the Interior to exercise this authority.

Law enforcement at Gateway and Golden Gate is divided between the Park Police and commissioned Park Rangers by park areas. Generally, the Park Police are assigned to the park units that are nearest to the urban population centers while commissioned Park Rangers are responsible for law enforcement in the parks' more rural areas.

- --At Gateway, the Park Police have the law enforcement responsibilities for the New York park units of Breezy Point, Jamaica Bay, and Staten Island. Commissioned Park Rangers are responsible for law enforcement at the Sandy Hook, New Jersey, park unit.

- --The Park Police have the law enforcement responsibility for all of the urban portions of Golden Gate in San Francisco and part of Marin County, while commissioned Park Rangers are responsible for law enforcement in the rural areas of Marin and San Mateo Counties.

The Park Rangers were assigned to Gateway and Golden Gate when both parks were established in 1972. As of September 30, 1984, there were 15 and 19 commissioned Park Rangers at Gateway and Golden Gate, respectively. The Park Police were assigned to Gateway and Golden Gate in 1974. As of September 30, 1984, there were 47 and 37 Park Police at Gateway and Golden Gate, respectively.

## EXPENDITURE AUTHORITY

Funding of law enforcement costs for the Park Rangers and Park Police is provided in the Park Service's annual appropriation. Park superintendents have the overall responsibility for developing policy and direction for law enforcement activities within areas of the park system, including Gateway and Golden Gate. Park superintendents develop annual park management plans for law enforcement that outline specific objectives, level of effort, responsibilities, and anticipated costs. These costs include (1) personnel compensation, such as regular salaries, overtime, holiday, longevity, night and Sunday differential pay and (2) benefits, such as retirement, life and health insurance, and medicare contributions. The respective Park Police field office commanders have the responsibility for providing technical advice and recommendations to the Park Service's superintendents in the development of the annual law enforcement plans.

On August 10, 1971, the Congress approved the Interior and Related Agencies Appropriations Act of 1972 (Public Law 92-76), which, under it's administrative provisions, gave the Park Service authority to use any of its appropriated funds, with the approval of the Secretary of the Interior, for "emergency and other unforseen law enforcement situations." Interior's fiscal year 1982 and subsequent appropriation acts have also authorized the use of emergency law enforcement expenditures to conduct "emergency search and rescue operations in the National Park System." Emergency law enforcement expenditures may be incurred for various incidents such as an unplanned public demonstration or when required by an accident or natural disaster, according to the Park Service's Associate Director for Park Operations. This emergency law enforcement expenditure authority has been included in each of the subsequent fiscal year appropriation acts for the Park Service.

The Park Service's emergency law enforcement expenditure reporting procedure requires each regional director to submit a quarterly written report detailing the actual unbudgeted costs of each emergency incident occurring in their respective regions during that period. Incident reports, which make up the quarterly reports, are developed by (1) park superintendents when emergency costs are incurred by commissioned Park Rangers or by (2) Park Police commanders when emergency costs are incurred by Park Police officers. These reports are then sent to the appropriate regional directors who, in turn, send the reports to the Park Service's headquarters, where they are analyzed and consolidated.

Until fiscal year 1984, these consolidated reports were submitted to the Secretary of the Interior for review and approval. Beginning with fiscal year 1985, the consolidated reports were forwarded to the Interior Department's Assistant Secretary for Fish and Wildlife and Parks, who reviews and approves the emergency expenditures for the Secretary. Approved emergency law enforcement expenditures include personnel compensation (overtime and medicare contribution), travel, transportation, and miscellaneous expenses associated with emergencies.

During fiscal year 1984, the Park Service incurred a total of about $2.8 million in emergency law enforcement costs. Of this amount, about $2.4 million was obtained from the Park Service's construction and land acquisition appropriations. The construction appropriation provides funds for activities such as (1) rehabilitation and restoration of historic and cultural resources, (2) rehabilitation of operational structures such as visitor use and maintenance facilities, trails, and utility systems, and (3) rehabilitation and construction of park roads and bridges. The land acquisition appropriation provides funds to acquire certain lands, or interests in land, for inclusion in the National Park System. The remaining balance of about $400,000 was obtained from various other Park Service appropriation accounts. About $726,000, or about 26 percent of the total $2.8 million, was expended at Gateway and Golden Gate. Table 1.1 shows the amount of emergency law enforcement costs incurred by commissioned Park Rangers and Park Police at both gateway areas.

Table 1.1: Summary of Approved Emergency Law Enforcement Costs at Gateway and Golden Gate for Fiscal Year 1984

| Park Service personnel | Gateway | Golden Gate | Total |
|---|---|---|---|
| Park Rangers | - | $54,868 | $54,868 |
| Park Police | $531,444 | 140,026 | 671,470 |
| Total | $531,444 | $194,894 | $726,338 |

The Park Service provided the information shown in tables 1.2 and 1.3 on the specific purposes of the emergency law enforcement funds shown above.

Table 1.2: Emergency Funds Incurred at Gateway

| Purpose | Amount |
|---|---|
| Personnel compensation: | |
| Permanently assigned Park Police staff | $216,128 |
| Temporarily assigned Park Police from Washington, D.C. | 67,414 |
| Park Police backfill expenses in Washington, D.C.[a] | 130,433 |
| Total personnel compensation | 413,975 |
| Travel, transportation, and other expenses | 117,469 |
| Total | $531,444 |

[a] "Backfill" expenses are those costs incurred when officers must work overtime to provide the law enforcement coverage normally provided by officers who have been temporarily assigned to other duties.

Of the $413,975 in emergency law enforcement personnel costs that Gateway incurred, (1) $216,128 was for permanently assigned Park Police staff at Gateway, including $213,359 for routine overtime costs, and (2) $67,414, which included $66,326 in overtime costs, was for a special 12-member Park Police detail sent from Washington, D. C., to Gateway from May 25 to September 30, 1985, and 29 additional officers assigned to Gateway for various weekends during this period. These temporarily assigned officers provided additional law enforcement coverage at Gateway during the high-visitation summer months. Such details have been sent to Gateway from Washington, D.C., every year since fiscal year 1972, and Park Service officials at Gateway anticipate a continuing need for the Park Police summer detail in future years.

An additional $130,433 in personnel costs was incurred to pay overtime--backfill--expenses of the Park Police in Washington, D.C., who covered the patrols of those officers temporarily assigned to Gateway. In addition to personnel costs, Gateway also incurred $117,469 in law enforcement travel and transportation expenses, including per diem, lodging, car rentals, and other miscellaneous expenses of the temporarily assigned Park Police.

Table 1.3: Emergency Funds Incurred at Golden Gate

| Purpose | Amount |
|---|---|
| Personnel compensation: | |
| Permanently and temporarily assigned Park Police and Park Rangers | $124,211[a] |
| Park Police backfill expenses in Washington, D.C. | 21,912 |
| Total personnel compensation | 146,123 |
| Travel, transportation, and other expenses | 48,771 |
| Total | $194,894 |

[a] The Park Service's emergency law enforcement expenditure reports did not separately account for $124,211 in personnel compensation costs incurred by permanent and temporary park staff.

Of the $146,123 in emergency law enforcement personnel costs incurred at Golden Gate, $89,056 was for commissioned Park Ranger and Park Police expenses associated with the 1984 Democratic National Convention held in San Francisco, and $35,155 in overtime costs for the annually held Western Region Folklife Festival and other planned or recurring events held at Golden Gate. In addition, $21,912 in backfill costs was incurred by Park Police officers located in Washington, D.C., who covered the patrols of officers temporarily assigned to Golden Gate during the convention.

## EMERGENCY EXPENDITURES WERE NOT JUSTIFIED

The expenditure of $726,338 in fiscal year 1984 funds for emergency law enforcement purposes at Gateway and Golden Gate was for recurring activities or events that the Park Service knew of in advance. Any additional law enforcement funding needed for these events should have been included in the Park Service's annual or supplemental budget requests.

Park Police officials at Gateway and Golden Gate have agreed that there has been a continuing need for the additional law enforcement funds provided each fiscal year under the Park Service's emergency law enforcement expenditure authority. For example, on March 29, 1985, Gateway's Acting Park Police Commander requested the Park Service to temporarily assign a detail of Park Police to Gateway for visitor protection services during the summer months of fiscal year 1985. His request noted that:

> "The current staffing level of the
> United States Park Police, New York
> Field Office, (46 sworn officers)

> is insufficient to provide adequate protection during this peak visitation time. As we have seen during the last ten summers, additional personnel assigned from Washington, D.C. are critical to providing adequate protection services."
>
> . . . . .
>
> "In past years a detail of 12 officers has been reassigned from Washington, D.C. to assist in these areas. We request that this same number be assigned again this year."

The Acting Commander noted that the additional Park Police officers were being requested "to cover the routinely increased visitation and accompanying activity" for the upcoming summer months.

Golden Gate's Park Police Commander told us that it was common practice to charge routine and predictable overtime costs as an expenditure under the emergency law enforcement authority. Golden Gate's Park Service administrative officer also noted that Park Police requests in prior years for funding of anticipated overtime costs have not been approved by the Park Service because of budget restrictions. As a result, the Park Police at Golden Gate did not make a request for routine overtime funds for fiscal year 1984. Instead, these costs were planned to be charged as emergency law enforcement expenditures.

The Park Service's North Atlantic Regional Director told us that he did not believe it was appropriate to repeatedly use the emergency law enforcement expenditure authority to pay for Gateway's routine and annually recurring law enforcement costs. Instead, he noted, "These costs should be included in the annual appropriation."

The Park Service's Associate Director for Park Operations told us that the government's budget-cutting measures have made it very difficult for the Park Service and the Park Police to obtain additional law enforcement funding even for planned special events in or near park system areas. He noted that special events at either Gateway or Golden Gate often require additional law enforcement coverage that results in increased funding needs. However, he added that since anticipated funds requested to cover these costs have not been approved in past years' budget requests, the Park Service has used its emergency law enforcement expenditure authority in order to provide adequate law enforcement coverage as determined by events at each gateway area.

## CONCLUSIONS

Each of the Interior Department's appropriation acts since 1972 for the Park Service has included emergency expenditure authority for the Park Service for unforseen or other emergency law enforcement expenses. The Park Service, however, used this emergency law enforcement expenditure authority during fiscal year 1984 to fund routine and annually recurring law enforcement costs at Gateway and Golden Gate.

The use of emergency law enforcement authority to fund anticipated, recurring, and routine law enforcement costs is understandable, given the Park Service's stated need to provide adequate law enforcement while the government pursues its budgetary reduction efforts. However, the National Park Service is using congressionally approved funds from other approved budget areas for law enforcement activities. We are not questioning the need for these law enforcement activities, but we are concerned that this funding approach works against efforts in the construction, land acquisition, and other Park Service appropriation areas from which the emergency law enforcement funds were obtained. Although we did not review the Park Service's use of its emergency law enforcement authority beyond Gateway and Golden Gate, to the extent that this may be occurring at other parks, it is inconsistent with the Park Service's emergency law enforcement expenditure authority.

## RECOMMENDATIONS

We recommend that the Secretary of the Interior direct the Director of the National Park Service to ensure that emergency law enforcement expenditures are made for the purposes authorized by the Congress by requesting funds for anticipated, recurring, and routine law enforcement costs through the annual budget process.

In accordance with your offices' request, we did not obtain official agency comments on this report. We did, however, discuss the contents of this report with Park Service and Park Police Gateway, Golden Gate, regional, and headquarters officials and have incorporated their comments, where appropriate, in this report. Also at your offices' request, we will restrict our general distribution of this report for 10 days unless you publicly release its contents earlier. Copies of this report will be sent to the Secretary of the Interior and other interested persons upon request.

Sincerely yours,

J. Dexter Peach
Director

14. Question: Are you aware of these illegal fund uses? I believe that each regional director is required to submit a written quarterly report detailing the actual unbudgeted costs of each emergency incident. Beginning in fiscal 1985, these consolidated reports were required to be signed by the Assistant Secretary.

I would appreciate the regional directors addressing this issue. How long has it been ongoing? Did any of you know of the practice? I would also ask the Assistant Secretary if he has been signing these illegal requests or, if not, who has approved them on his behalf? On what basis were they approved?

Answer: The amount cited in the General Accounting Office report for Gateway and Golden Gate Recreation Areas, $726,338, includes charges for law enforcement relating to a number of special events as well as overtime requirements. The Service has used the emergency authority in both areas mainly for a number of relatively minor, unforeseen incidents since 1977. We do not have adequate data to pinpoint exactly when the emergency law and order authority first was used in each instance. The two largest components of the figure cited by the General Accounting Office involved law enforcement support for the Democratic National Convention, a one-time effort in 1984, and the recurring temporary assignment of Park Police officers to Gateway National Recreation Area.

The practice of detailing additional police officers to Gateway National Recreation Area was initiated in 1981 when the Service was first confronted with the problem of enforcing nude bathing restrictions for Jacob Riis Beach. The situation at that time was unforeseen and considered highly volatile. The Service has reviewed the continuing need for the unit on an annual basis in the context of the unpredictable law enforcement environment at Gateway National Recreation Area. It is clear that a more comprehensive review of the recurring law enforcement needs of Gateway National Recreation Area is needed. Such a review will be undertaken in fiscal year 1986.

Generally, the decision to use the Service's emergency authority has been based on the need to respond expeditiously to law enforcement situations which were considered to be outside the norm. That a number of these situations reoccur annually was not considered as important as having the capability to respond quickly and effectively to a wide variety of law enforcement requirements, many of which are beyond the capability of the park in question.

Requests to use emergency law and order authority are submitted quarterly by the Director of the National Park Service to the Assistant Secretary for Fish and Wildlife and Parks for his approval. This approval is granted on the basis of the recommendation of the Director, National Park Service. We disagree with the statement that certain of these requests were "illegal." As noted above, requests for emergency law enforcement authority were made to respond to situations that were outside the norm. The Service is taking immediate steps to ensure that its criteria for use of this authority to conform with the intent of Congress in granting it.

15. Question: In 1984, the total emergency spending under this authority was $2.8 million. If $726,000 was spent at Gateway NRA and Golden Gate NRA, another $2.1 was spent at other park units? Would the other regional directors care to discuss this abuse?

Answer: We disagree with the assertion that any emergency expenditures recorded for 1984 constitute an "abuse" of the authority provided under the Administrative Provisions. The National Park Service has traditionally used this authority to meet short-term law enforcement situations which are outside normal operations. The General Accounting Office concludes that such an approach, particularly as it is applied to events of an annual nature, is inconsistent with the Service's emergency law enforcement expenditure authority.

We agree with the General Accounting Office's conclusion that recurring needs should be met through the annual budget process. We intend to tighten the criteria for emergency law and order expenditures and pursue other funding options for annual requirements.

16. Question: I know that none of you have seen the GAO report but I also understand that our staffs have discussed this problem in general terms in the past week. Would you review this matter and report to us on corrective actions that need to be taken?

Answer: The Service is taking steps to tighten criteria for use of its emergency authority and, as mentioned above, will carefully review the situation at Gateway National Recreation Area and other sites. In particular, emphasis will be given to eliminating any use of the authority for activities which are clearly recurring in nature and which can be funded through regular appropriations. If necessary, funds will be redirected from lower priority activities to ensure an adequate level of law enforcement at Gateway and Golden Gate National Recreation Areas.

### Proposal to Replace U.S. Park Police with Park Rangers at Golden Gate and Gateway National Recreation Areas

17. Question: The second law enforcement issue I want to discuss today is the issue of replacing Park Police with Park Rangers at Golden Gate NRA and Gateway NRA, which GAO tells us would save about $740,000 each year after paying a one-time cost of about $3 million. Have you had an opportunity to review this GAO report? Is this the type of creative and efficient use of resources contemplated in your 12 point plan?

Answer: My staff and I thoroughly reviewed the General Accounting Office's proposed report entitled "Law Enforcement Capability and Cost Comparisons at two Recreation Areas." This General Accounting Office report is precisely the type of information which I am seeking through my 12-Point Plan. As you may know, point 12 of my plan is to "Foster and encourage more creativity, efficiency, and effectiveness in the management and administration of the National Park Service." To that end, I am open to any and all suggestions which will enhance the overall goals and mission of the Service. I realize that I am encouraging calculated risktaking, however, only by exploring findings and recommendations such as those contained in the General Accounting Office report can we possibly hope to achieve the most economic and efficient use of our resources. The General Accounting Office report has impelled us to reexamine our past practices and methods for accomplishing the law enforcement function at Golden Gate and Gateway and determine if better alternatives are feasible.

18. Question: One of the key assumptions in the GAO analysis, and one that we suggested, is that only about 54 of the 84 Park Police currently on duty at Gateway and Golden Gate NRA would be relocated to Washington to supplement the existing Park Police presence in the National Capital area. The other 30 police officers would be terminated from Federal service. If this were to occur, annual savings of over $800,000 would accrue. Furthermore, the Service may experience a net present value savings of $3.2 million as a result of terminating the pension entitlement of the 30 officers. Further, if the 30 officers were terminated, then the one-time cost of relocation would be reduced from $2.9 million to $2.4 million.

Answer: The assumption made by the General Accounting Office to which you refer is that 30 Park Police officers (15 from Gateway and 15 from Golden Gate) will be terminated and not reemployed by the Federal Government. Although this assumption appears to be a cost-saving benefit, many of the ramifications of attempting to implement this mass termination were not considered. For example, it is assumed that the 30 lowest graded Park Police officers at Gateway and Golden Gate can be terminated. However, in accordance with the negotiated Labor-Management contract between the National Capital Region and the Police Association of the District of Columbia, the 30 lowest graded Park Police officers throughout the Force could be terminated. Based upon seniority, less than 10 percent of the lowest graded officers are assigned to Gateway and Golden Gate. This would necessitate relocating the majority of the officers from Gateway and Golden Gate back to the Washington, D.C., area and terminating less senior officers currently employed in the National Capital Region. Also, issues such as veterans preferences and reemployment rights of terminated officers would be involved.

The General Accounting Office identifies an additional expense of approximately $69,000 for severance pay entitlements for the 30 officers we would be required to terminate. An additional immediate expense to the Government resulting from the withdrawal of accumulated retirement contributions by those officers from the retirement system of approximately $220,000 would be assumed. Additionally, the Federal Government would be responsible for subsequent unemployment compensation payments to these officers. Each of the officers terminated would be entitled to receive $206 per week for a period of 26 weeks or a total additional cost to the Government of $160,680.

When the costs of noncollected retirement system contributions from these officers (estimated at $40,000), and those factors cited above are considered, additional expenses of $490,000 plus

$1,083,600 relocation costs could be incurred during the first year.

The General Accounting Office makes reference to "$3.2 million in pension cost savings, and an additional $40,000 to $1.2 million in recurring pension accrual savings, depending on subsequent personnel actions," to be realized as a result of the termination of 30 officers from the ranks of our Park Police. Our analysis of the impact of terminating 30 officers on the funds status of our pension system reveals a minimum first year additional expense of $260,000. This represents the amount of refunds from the pension system that would be due the officers who would be terminated ($220,000) and also includes the amount of money that they would have contributed to the system had they continued in our employ for that year.

19. Question: GAO has recommended that the Secretary assess recruitment and retention problems and the difficulty in obtaining off-federal-parkland law enforcement authority for commissioned park rangers in these areas. How long does the Department think it will take to comply with GAO's recommendation?

Answer: The General Accounting Office report focused on several issues which they recommended be adequately assessed prior to any change in work force at Golden Gate and Gateway. Although the General Accounting Office advised that there were no current turnover studies or statistics available, one urban park in Philadelphia, Pennslyvania, has experienced 34 vacancies in the ranks of commissioned Park Rangers since January 1, 1981. This park, which only has 20 authorized positions, is a valid indicator of the retention problems we can expect at Golden Gate and Gateway. We have assessed the recruitment problems we could anticipate in the San Francisco and New York areas where these two national recreation areas are situated. We have determined that the salaries and benefits provided to commissioned Park Rangers are in no way comparable to those provided by local, State and Federal law enforcement agencies to their employees working in these areas. We can only conclude that recruiting qualified individuals will be severly hampered in view of attractive salaries and benefits offered elsewhere.

Obtaining off-Federal-parkland law enforcement authority for commissioned Park Rangers will require extensive research and documentation. In fact, a review of the legislative history concerning the authority for our Park Police officers assigned to Golden Gate and Gateway reveals that this authority took many years to achieve. I also wish to point out that there are no assurances that the commissioned Rangers would be considered by the State and local governments to meet the criteria established by the above areas for obtaining off-Federal-parkland law enforcement authority. We have received initial indications that there may be resistance in these areas to the granting of this necessary authority. We estimate that the recommended assessment of these issues will be completed within 6 months.

20. Question: As I read your letter to GAO, Mr. Horn, you agree with the recommendation in the report to develop additional information about this proposal, and feel that the additional information would be beneficial to your decision. Your letter

concludes that the consequences of replacing Park Police with Park Rangers has not been adequately addressed. What should have been done that wasn't? Do you intend to do that in your own report? Faced with an opportunity to save money each year with no demonstrable lack of protection to the park visitor and park resource, isn't this a proposal that deserves to be pursued?

Answer: The General Accounting Office concluded that "Commissioned Park Rangers can perform the law enforcement function now handled by Park Police at Gateway and Golden Gate." We believe the General Accounting Office study has not provided sufficient evidence to support a general conclusion that commissioned Rangers can or cannot perform the law enforcement function of the Park Police in these areas. The only reasonable conclusion that can be inferred from the General Accounting Office's report is that the commissioned Park Ranger is capable of performing certain duties. Factors such as those recommended by the General Accounting Office for further study (recruitment and retention problems, procurement of off-Federal-parkland law enforcement authority) and recognizable differences in training programs, salary disparities, acceptance by the general populace concerning Rangers performing law enforcement, impact of the "New Classification and Qualifications Standards-Park Ranger Series GS-025," which excludes positions that involve primarily law enforcement work in protecting life and property by maintaining law and order, must be considered. Although costs are definitely a major consideration, they should not represent the only or primary justification for a change in the workforce at the Gateways.

I believe that the followup study by the National Park Service will address these issues and provide a clearer indication of what action, if any, should be taken to provide cost-effective law enforcement at Gateway and Golden Gate National Recreation Areas.

## Park Police Recruit Class

21. Question: Last year, we added $200,000 so that a new Park Police rookie class could be hired. What happened to that money?

Answer: The continuation in fiscal year 1986 of the 2 percent congressional reduction against fiscal year 1985 appropriations; the 0.6 percent reduction in fiscal year 1986 appropriations; and the 4.3 percent reduction under the Gramm-Rudman-Hollings Balanced Budget Act has substantially reduced funding for all programs in fiscal year 1986. As a result, we have had to cancel the first recruit class scheduled to begin October 1985, and we do not have sufficient funds in our U.S. Park Police Program or other programs to supplement the $200,000 to cover what we had hoped would be the second recruit class in fiscal year 1986. We are, therefore, planning to use the $200,000 to cover other Park Police funding needs, including annualization of the costs of the recruit classes conducted in fiscal year 1985.

22. Question: Why don't we begin to phase-out Park Police at Gateway and Golden Gate, replacing them with Park Rangers on an attrition basis, and hire new Park Police recruits for the National Capital Area only?

Answer: To implement a program of phasing-out Park Police at Gateway and Golden Gate and replacing them with Park Rangers on an attrition basis, would necessitate that all of the concerns which we have previously addressed be resolved prior to implementation. To require our Rangers to perform the same law enforcement function as our Park Police, side-by-side, presents some major concerns. We can expect the morale of our Rangers to be affected immediately when they realize that they are not receiving equal pay and benefits for equal work. We can also expect them to initiate proceedings to be reclassified under the Federal Police Series, GS-083. We believe that no steps should be taken to phase out Park Police in these areas until the completion of the recommended study of recruitment and retention problems by the National Park Service.

### ES Level Positions

23. Question: According to your consolidated schedule of permanent positions, you are creating a new ES level 5 position. Please list all ES-2 through ES-6 personnel and identify the new ES-5 person.

Answer: The consolidated schedule was in error concerning the number of ES personnel. Correct figures are shown below.

| | 1985 | 1986 | 1987 |
|---|---|---|---|
| ES-6............ | 1 | 1 | 1 |
| ES-5............ | 4 | 5 | 4 |
| ES-4............ | 11 | 10 | 10 |
| ES-3............ | 4 | 4 | 4 |
| ES-2............ | 1 | 1 | 1 |
| Total....... | 21 | 21 | 20 |

The change from 1985 to 1986 reflects a shift of Denis P. Galvin, Deputy Director, from ES-4 to ES-5. The change from 1986 to 1987 reflects the elimination of the Special Assistant to the Director, ES-5.

The following list identifies the ES-2 through ES-6 personnel as of March 15, 1986:

### ES-6

William Penn Mott, Jr., Director

### ES-5

Richard H. Briceland, Associate Director, Natural Resources
Manus J. Fish, Jr., Regional Director, National Capital Region
Mary Lou Grier, Special Assistant to the Director--(Position will not be filled after March 29, 1986).
Theodore W. Sudia, Senior Scientist

### ES-4

Stanley T. Albright, Associate Director, Park Operations
Robert M. Baker, Regional Director, Southeast Region

Howard H. Chapman, Regional Director, Western Region
James W. Coleman, Regional Director, Mid-Atlantic Region
John E. Cook, Park Manager
Quincy B. Evison, Regional Director, Alaska Region
Denis P. Galvin, Deputy Director
Robert I. Kerr, Regional Director, Southwest Region
Lauretta L. Mintzmyer, Regional Director, Rocky Mountain Region
Jerry Rogers, Associate Director, Cultural Resources
David G. Wright, Associate Director, Planning and Development

### ES-3

Herbert S. Cables, Jr., Regional Director, North Atlantic Region
Barbara Gilliard-Payne, Assistant Director, Minority Business Enterprise
Charles H. Odegaard, Regional Director, Midwest Region
(Vacant), Regional Director, Pacific Northwest Region (formerly ES-5) 1/

### ES-2

(Vacant), Assistant Director, Legislative and Congressional Affairs

### Alaska Mining and Minerals Program

24a. Question: One of the program supplements includes 16 FTE for the Alaska Mining and Minerals Program. Where will these personnel be stationed in Alaska?

Answer: The 16 FTE's reflect the requirements for fiscal year 1986 given the normal delays in staffing a program of this magnitude. An estimated 12.3 FTE's will be duty stationed in the Alaska Regional Office; an estimated 1.8 FTE's will be duty stationed at the Wrangell-St. Elias National Park and Preserve; an estimated 1.1 FTE's will be duty stationed in the Alaska Regional Office pending availability of housing at Denali National Park and Preserve; an estimated .8 FTE will be duty stationed at the Denver Service Center until the required Environmental Impact Statements are completed.

24b. Question: Is this to be a permanent program?

Answer: The program will be permanent given that it is necessary to meet the ongoing requirements of the Mining in the Parks Act of 1976 (90 Stat. 1342) and the direction from the District Court for Alaska.

24c. Question: Could less than permanent personnel be included?

Answer: Seasonal and permanent less than full-time personnel are included in all positions where appropriate and feasible. Core positions are in the professional series and require full-time personnel.

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1/ This rate may be changed depending on pay rate of selected applicant, if the position is filled.

24d. Question: Please provide a full description of the proposal for the record, including a copy of the Court Order.

Answer: A full description of the Alaska Mineral Management Program follows. Copies of the July 1985 preliminary injunction, and Memorandum and Order of December 1985 will be provided to the Committee.

## Alaska Mineral Management Program Proposal

### Summary

### Background

On May 9, 1985, the National Park Service was sued by the Northern Alaska Environmental Center over the management of mineral operations in park units in Alaska. On July 22, 1985, the court issued a preliminary injunction suspending approvals of all existing operations and requiring the National Park Service to prepare cumulative Environmental Impact Statements for mining operations in Wrangell-St. Elias National Park and Preserve and Yukon-Charley Rivers National Preserve.

The injunction was amended on December 4, 1985, to include a requirement for an additional Environmental Impact Statement at Denali National Park and Preserve. The court also provided for review and approval of mining operations during the Environmental Impact Statement process, where no cumulative environmental impacts were expected. It also invalidated clauses in the National Park Service mineral regulations which provided for temporary approvals of plans and the automatic approval provision should the National Park Service fail to act within 90 days.

Prior to the court order, there were 35 to 50 proposed plans of operations received annually for review in eight park units in Alaska and 25 to 40 active mining operations. The existing Regional Office staff, prior to the litigation, consisted of 4 FTE's. Because of limited personnel, plan processing and evaluation were incomplete. In addition, several of the major Mineral Management Program area functions went under unstaffed and unimplemented. Available staff were delegated to program areas which required immediate attention due to a combination of the potential for damage to park resources and the responsibility of the National Park Service to acknowledge an individual's valid existing rights.

### Proposal

On January 17, 1986, the Alaska Region forwarded a detailed multi-year workload analysis to the Director outlining funding and manpower requirements needed to implement a Mineral Management Program in Alaska and to comply with requirements of the court order. This analysis identified the need for $3.94 million and 22.9 new FTE's in fiscal year 1986, $2.88 million and 32.7 FTE's in fiscal year 1987, $2.48 million and 31.8 FTE's for fiscal year 1988 and approximately $2 million and 26.6 FTE's for long-term program implementation.

## Short-Term Program

In addition, the National Park Service is preparing three court ordered cumulative Environmental Impact Statements at an estimated cost of $2.35 million for fiscal year 1988.

The Service is also implementing a cultural resource survey program to inventory the estimated 2,100 mining claims in park units in Alaska. This effort will provide the necessary cultural resource data for evaluation of future mining plans of operation.

The program strategy envisions intensive personnel and funding commitments over the short-term, utilizing existing National Park Service technical support offices to address Environmental Impact Statements requirements, cultural resource survey needs, and validity examinations. As these programs taper off, other program needs will begin to be more fully implemented.

## Long-Term Program

The long-term Mineral Management Program in Alaska will be implemented at the Alaska Regional Office, Denali National Park and Preserve, Wrangell-St. Elias National Park and Preserve, and Yukon-Charley Rivers National Preserve. Staffing will consist of primarily environmental compliance specialists, fish and wildlife biologists, biological technicians, mining engineers, geologists, hydrologist, surveyors, mining engineer technicians and clerical support staff.

The long-term Mineral Management Program will fully address the following responsibilities:

1. Annual processing of approximately 40 and 60 Plans of Operation.
2. Preparing environmental assessments on all Plans of Operation received.
3. Regular monitoring of all active mining operations for regulatory compliance and resource protection.
4. Conducting mineral examinations on approximately 1,600 unpatented mining claims in Alaska for validity determinations.
5. Identification, inventory and reclamation of abandoned mineral properties.
6. Conducting minerals-related advance planning in units with mining claims by integrating mineral concerns into planning projects.
7. Ensuring National Park Service concerns are considered in External Land Issues Related to Minerals.
8. Identification, inventory and cleanup of hazardous waste materials associated with abandoned mining properties.

## U.S. Park Police Pension Fund

25a. Question: Provide justification for the $975,000 base adjustment proposed for the U.S. Park Police Pension Fund. How was the number calculated?

Answer: The $975,000 represents the anticipated deficit in the Federal share of pension benefits. The estimate is from a computerized projection system developed by Hay/Huggins Associates in fiscal year 1984. The number was projected from the following assumptions:

| | |
|---|---|
| Active Force at end of fiscal year 1987 | 546 |
| Number leaving force in fiscal year 1987 | 26 |
| Number of annuitants at end of fiscal year 1987 | 351 |
| Increase in annuitants from 1986 to 1987. | 11 |

25b. Question: Isn't the U.S. Park Police Pension Fund actually a joint pension fund shared by other capital area police forces?

Answer: The fund, which provides pension benefits to our U.S. Park Police, also includes the Metropolitan Police, Uniform Division, Secret Service and certain Secret Service Agents.

25c. Question: What will happen if the $975,000 is not provided?

Answer: The U.S. Park Police Pension Fund is an entitlement program. If the required funds are not provided, we will be compelled to redirect the money from other park programs.

25d. Question: Should we begin to match employee contributions in an effort to make the fund sustaining?

Answer: In essence, we are matching employee contributions through the Federal Share of the payment for which this budget adjustment is requested.

## Employee and Unemployment Compensation Payments

26. Question: Is full funding proposed for employee compensation payments (pg. 110) and unemployment compensation (pg. 111)?

Answer: Yes, sufficient funding to cover the employee compensation payments ($5,355,000) and our estimated unemployment compensation costs ($7,892,000) is reflected in the fiscal year 1987 budget. However, estimates of unemployment compensation lists have been unreliable in the past due to unreliable billing procedures.

## Transfer Costs in Alaska

27a. Question: You are proposing an increase of $210,000 for additional transfer costs in the Alaska Region. Are the recent changes in travel regulations mandatory or discretionary?

Answer: The regulations are mandatory and apply to all Federal agencies; however, in some cases, they impact Alaska Region to a greater extent due to special regulations which apply only to positions outside conterminous United States, high locality rates for per diem, and increased per diem for the Alaska Ferry System.

27b. Question: Are they being handled consistently across all Regions?

Answer: Regulations should be consistent in all Regions. However, due to the scarcity of adequate housing in remote areas such as Nome, Kotzebue and Eagle, the full allowance for temporary quarters and temporary storage of household goods is common and results in much higher average costs than would be normal in the lower 48 States.

27c. Question: Why is Alaska the only region requesting an increase?

Answer: Alaska Region has no base funding for permanent change of station costs, and regulations have had a greater impact due to the "overseas" provisions on this Region to the point that Regionwide assessments to cover these costs are severely impacting programs at all levels.

### National Park Service - Uniform Allowances

28a. Question: You are requesting an increase of $450,000 for increased uniform allowances, to cover increased costs. What is the legal limit for each uniformed employee of the National Park Service?

Answer: The allowance authorized by Public Law 94-458 (90 Stat. 1939; 16 U.S.C. 1a-4) has a statutory ceiling of $400 annually per employee. In addition, the Service has administratively established a $200 ceiling for uniform replacement.

28b. Question: Is the $200 per employee Park Service policy or is it based on the amount of money available?

Answer: The allowance amount authorized is based on policy, not on the amount of money available. Not all employees receive a $200 replacement allowance. Replacement allowances range from $31.25 to $200 depending on the uniform type, season of year and whether an employee has permanent or seasonal status. The Allowance Schedule (developed and implemented by the National Park Service) allows the Director an appropriate degree of flexibility to adjust initial and replacement allowance rates as needed due to price increases or changes in uniform requirements.

28c. Question: How much is in the base now?

Answer: Uniform allowances are issued out of "Operation of the National Park System" operating funds programmed at each park. In fiscal year 1985, $2.0 million was issued in uniform allowances.

28d. Question: How many employees receive an allowance?

Answer: In fiscal year 1985 approximately 13,000 employees received uniform allowances.

28e. Question: How does the Service compare with the Forest Service, Fish and Wildlife Service, and Bureau of Land Management on these items? Please provide a distribution of the costs (number of employees and cost per employee, with and without the budgeted amount).

Answer: The Forest Service and the Fish and Wildlife Service, like the Park Service, have an initial allowance ceiling of $400 per employee. Bureau of Land Management has a ceiling of $125 per employee.

- Park Service has approximately 13,000 uniformed employees with an average allowance of $154 per employee.
- Forest Service has approximately 12,700 employees with an average annual allowance of $166 per employee.
- Fish and Wildlife Service has approximately 3,352 uniformed employees with an average annual allowance of $293.
- Bureau of Land Management has approximately 100 uniformed employees with an average annual allowance of $125.

Cost Distribution with the additional $450,000 budgeted amount:
13,000 employees with an average annual allowance of $188.

Cost Distribution without budgeted amount:
13,000 employees with an average annual allowance of $154.

### Incidental Personnel Expenses

29. Question: Please provide a full breakdown of the incidental personnel expenses (pg. 26 - $3,200,000) by category (severance, transfer, lump sum, incentives, etc).

Answer: We do not have the incidental employee expenses separated by category because the costs fluctuate from one year to the next. However, based on our experience in fiscal year 1985 we would expect the budgeted amount to be used as follows:

|  | ($ in thousands) |
|---|---|
| Employee Transfers | $1,622 |
| Lump Sum Leave | 1,221 |
| Severance Pay | 28 |
| Incentive Awards | 449 |
|  | $3,320 |

Any costs incurred which are above the budgeted amount will be absorbed by the appropriate park or office.

### Search and Rescue Funding

30. Question: How many sources of funds defray the search and rescue activity? Please develop a composite search and rescue budget display, going back to 1983 through the fiscal 1987

proposal. How much is budgeted and funded directly versus by use of the emergency authority? (p. 26, p. 44).

Answer: The National Park Service has two sources of funding for search and rescue activities. They are park operating base funds and the line item for emergencies (storm and flood damages, search and rescue operations and structural fire damage). Both of these sources are in the Park Management activity of the "Operation of the National Park System" appropriation. The following display shows the funding from each source for fiscal year 1983 through fiscal year 1987.

| Fiscal Year | Amount budgeted with Park Base Funds | Obligations charged to the Emergency Account |
|---|---|---|
| 1983 | $1,221,000 | $488,156 |
| 1984 | 1,266,000 | 637,940 |
| 1985 | 1,276,000 | 870,261 |
| 1986 | 1,443,000 | 1/ |
| 1987 | 1,443,000 | 1/ |

As shown above, there is a budgeted amount of $1,443,000 in fiscal year 1986. The actual amount to be charged to emergencies will depend on the actual need during the fiscal year.

1/ Amount will not be known until after close of the fiscal year.

## Ellis Island National Monument

31. Question: You are proposing (p. 39) an increase of $134,000 for Ellis Island NM for interpretive services; another $126,000 for visitor and resource protection; another $2,799,000 for operational maintenance (including $1,230,000 for electricity); another $260,000 for cultural resources protection at Ellis Island. This will get the base funding for Ellis Island up to $3,942,000. Does the Service plan to keep this total in future years or will it come down?

This seems out of line with the Statue of Liberty funding of $1,454,500. The Statue will continue to have more visitors. The Statue will be completely rehabilitated by 1987 but Ellis won't be completely restored until 1990, or so. Please describe how this increase of $3,319,000 for Ellis makes sense for 1987.

Answer: The estimates required for operational funds and full-time equivalency positions for Ellis Island National Monument were developed through analysis of needs based on the magnitude of physical development and rehabilitation and the enormous value of the island's historic structures and the museum artifacts to be housed there. Projected visitation levels, as noted in the Budget Justifications on page 40, are still believed to be accurate at this time. Except for costs associated with the one-time purchase of an all purpose passenger/utility boat ($500,000), the need and justification for these increases for 1987 and future years remain the same.

It has been confirmed that the newly constructed powerhouse on Ellis Island will be fully operational by October 1986, and the Service will be required to operate it and the other new utility systems. It is therefore essential that maintenance personnel be brought on to become familiar with the complexities of the island's entire utility system. The Service does not believe costs associated with the proper operation and maintenance of the new utility systems will come down in future years.

In the case of interpretive and protection operations, funds and FTE's requested were based on projected visitation and the associated workloads that large visitation to a relatively small area bring with it, such as crowding and congestion, the constant demand for transportation and other kinds of information, emergency assistance, etcetra. If visitation stabilizes, additional requests for operational resources beyond those for 1987 may not be necessary. If visitation decreases significantly, which the Service believes to be unlikely, position management and organizational changes can be made.

In the case of curatorial services, the costs associated with the inventory, cataloging, restoration, protection, and research work for a 15,000-square foot museum storage area and a collection of over 10,000 artifacts in various stages of neglect and decay, 33 National Register of Historic Places structures, an artifact conservation laboratory, a geneological center, a library, 2 full-size motion picture theatres, and a museum with 300,000 square feet of exhibit space - no less the size of the Smithsonian Museum of American History - are unlikely to come down in future years.

### Boat for Ellis Island

32a. Question: Also, how many boats does the Park Service own or lease in the New York area?

Answer: The Statue of Liberty National Monument owns and operates two boats, Liberty II and Liberty III. Liberty II was built in 1954 and operated by the Circle Line until the early 1970's when maintenance and repair costs became so high that the concessioner turned it over to the National Park Service. Liberty III was designed in the early 1970's to serve Gateway National Recreation Area in Jamaica Bay; the Park Service acquired Liberty III in fiscal year 1978.

32b. Question: Why do we need to buy a $500,000 boat for Ellis Island?

Answer: The Statue of Liberty National Monument needs a new boat to replace Liberty II to transport increased staff to both Liberty and Ellis Islands.

Liberty II's steel hull allows it to operate throughout the winter. From January to July 1984, it was out of service for major engine and shaft repair. In 1985, it was out of service on at least six occasions due to generator and electrical problems. On those occasions, the park was required to lease vessels from East Coast lender at a cost of approximately $1,600 a day. Liberty II is currently being inspected by the U.S. Coast Guard.

A new cabin, new docking, and new electrical system will be required to make the boat operable. Since 1984, total repair costs, including these incurred this year, amount to approximately $250,000.

Liberty III is an aluminum-hulled boat. In winter months, it has difficulty negotiating the ice flows in the Hudson River and at times is in danger of capsizing. In July 1984, Liberty III was inspected by the Coast Guard and repairs were contracted. Due to contractor default and Coast Guard work delays, it was not returned to service until January 1986. Total costs amounted to approximately $150,000 for replacement of engines, generator and other repairs.

Liberty II and Liberty III each carry only 30 passengers. The park has operated as a one-boat operation for the past 3 years. At any given time, one or the other boat was out for repair. Because of the number of personnel at Liberty and Ellis Islands and the small capacity of the boats, many personnel are required to ride outside in cold, inclement weather. Staff increases will require a larger 50-passenger vessel. The superintendent in conjunction with the park's staff and Circle Line Statue of Liberty Ferry, Inc., estimates that a 50-passenger boat outfitted to negotiate the harbor year-round will cost $500,000.

32c. Question: Why does that amount go into Ellis Island base funding versus into an equipment acquisition account?

Answer: Funds needed to acquire the new passenger/utility boat for Ellis Island National Monument will not be retained in the park's operating base after fiscal year 1987.

33a. Question: Ellis Island is budgeted at a 70 FTE level, up 47 from 1986, while the Statue is up 4, from 47 to 51. Why the disparity?

Answer: The Statue of Liberty and Liberty Island operation remains essentially unchanged in fiscal year 1987 from the period prior to closing to the public in June 1985. Only a minimal staff increase is called for to address the increased visits occasioned by the restoration and the creation of a Statue exhibit museum within the base. The size of the Island itself (11 acres) is a limiting factor in the numbers of people who can visit at any one time (4,000 maximum). Increased visits in fiscal year 1987 will be due to the extension of the usually heavy summer season from March into October rather than increased visits in July and August. Such a change does not require greatly increased staff. The greatest portion of the increased visitation resulting from the restoration of Liberty and Ellis Islands will be concentrated at Ellis Island.

33b. Question: What was the Statue's FTE level between 1980 and 1985?

Answer: The Statue's FTE level between 1980 and 1985 was as follows:

| Fiscal Year | FTE-Total |
|---|---|
| 1980 | 49 |
| 1981 | 49 |
| 1982 | 49 |
| 1983 | 51 |
| 1984 | 53 |
| 1985 | 47 |

33c. Question: What did the FTE do in 1984 and 1985, when the Statue was mostly closed to tourists?

Answer: Although Liberty Island has been closed to visitation so that restoration work on the Statue of Liberty could progress safely and expeditiously, park personnel continue to perform a variety of duties. For example, numerous tours are conducted, through special arrangement, of Liberty and Ellis Islands for the media, public officials, and Foundation members. Curatorial staff are continuing the inventory and preservation treatment of American Museum of Immigration artifacts and exhibits. Maintenance personnel continued to work on areas of both islands not directly affected by ongoing construction and restoration work. Protection personnel have maintained intensive foot and boat patrols of both islands on a 24-hour-a-day basis.

### Natural Resources Trainee Program

34. Question: According to your justification, (p. 64), the natural resources trainee program will be terminated in its current form at the end of fiscal 1987 and the service-wide training program will undertake a continuation of the program beyond 1987. Why was this program initiated as a separate training program in 1982 and why isn't that a valid reason to continue it as a separate program in the future? Please compare placement of trainees with a list of Natural resource priority problems.

Answer: The Natural Resource Trainee Program was initiated to create a cadre of highly competent natural resource managers in the National Park Service. This need for natural resource management expertise became apparent in the wake of the 1980 State of the Parks Report. The objective of the program has been to increase the number of people who are full-time natural resource specialists and to upgrade their capability to deal with threats to natural resources and with implementation of natural resource protection and preservation programs. By the end of fiscal year 1986, 55 people will have completed the Natural Resource Trainee Program.

Placement of the trainees has been determined by the Regional Directors with the objective of putting natural resource managers where they are needed most. While the existence of priority natural resource problems may have been a determinative criteria in some cases, in most cases, placement was determined by the need to have some basic natural resource expertise where none previously existed.

The reason for redesigning the program is that it is not functioning as an "intake" program for new staff as originally intended. Since current National Park Service employees make up the entire group of participants, there is no need to retain FTE's and funding for personnel services as part of the training program.

The following table provides a comparison of the numbers of current Natural Resource Management staffing and the placement of the trainees relative to the Service's top priority unfunded natural resource management projects. This shows a strong correlation between placement of trainees and those parks which have fewer resource management staff and higher numbers of unfunded priority projects.

LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS ($000's) |
|---|---|---|---|---|---|---|---|
| ** NATIONAL PARK SERVICE REGION: AR | | | | | | | |
| ALASKA REGIONAL OFFICE | 3 | 0 | 0 | 7 | 0 | 0 | 0 |
| ANIAKCHAK NM AND PRESERVE | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BERING LAND BRIDGE NP | 4 | 0 | 0 | 1 | 1 | 4 | 536000 |
| DENALI NP AND PRESERVE | 8 | 0 | 0 | 2 | 0 | 8 | 1022000 |
| GATES OF THE ARCTIC NP AND PRESERVE | 4 | 0 | 1 | 0 | 0 | 20 | 3823000 |
| GLACIER BAY NP AND PRESERVE | 5 | 0 | 1 | 0 | 0 | 8 | 1090000 |
| KATMAI NP AND PRESERVE | 0 | 0 | 1 | 2 | 2 | 16 | 2115000 |
| KENAI FJORDS NP | 2 | 0 | 0 | 0 | 0 | 7 | 394000 |
| KLONDIKE GOLDRUSH NHP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LAKE CLARK NP AND PRESERVE | 2 | 0 | 1 | 0 | 0 | 7 | 330000 |
| NORTHWEST PARKS GROUP | 5 | 0 | 0 | 1 | 0 | 10 | 1190000 |
| SITKA NHP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WRANGELL-ST ELIAS NP AND PRESERVE | 14 | 0 | 2 | 1 | 1 | 12 | 3655000 |
| YUKON-CHARLEY RIVERS NP | 6 | 0 | 0 | 1 | 0 | 7 | 656000 |
| ** Subtotal ** | 53 | 0 | 6 | 15 | 4 | 99 | 14811000 |
| ** NATIONAL PARK SERVICE REGION: MAR | | | | | | | |
| ANTIETAM NB | 0 | 0 | 2 | 1 | 1 | 10 | 302000 |
| APPOMATTOX COURTHOUSE NHP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS ($000's) |
|---|---|---|---|---|---|---|---|
| ASSATEAGUE ISLAND NS | 1 | 0 | 0 | 2 | 1 | 6 | 1350000 |
| BOOKER T WASHINGTON NM | 0 | 0 | 0 | 0 | 0 | 3 | 19000 |
| CAMDEN NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COLONIAL NHP | 0 | 0 | 1 | 0 | 0 | 1 | 100000 |
| DELAWARE WATER GAP NRA | 0 | 0 | 0 | 2 | 1 | 14 | 1459000 |
| EDGAR ALLAN POE NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EDISON NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EISENHOWER NHS | 0 | 0 | 0 | 0 | 0 | 2 | 81000 |
| FORT MCHENRY NHS AND SHRINE | 0 | 0 | 0 | 0 | 0 | 2 | 90000 |
| FORT NECESSITY NB | 0 | 0 | 0 | 0 | 0 | 2 | 40000 |
| FREDERICKSBURG AND SPOTSYLVANIA NMP | 0 | 2 | 0 | 2 | 1 | 9 | 938000 |
| FRIENDSHIP HILL NHS | 0 | 0 | 0 | 0 | 0 | 1 | 230000 |
| GEORGE WASHINGTON BIRTHPLACE NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GETTYSBURG NMP | 0 | 0 | 2 | 0 | 0 | 10 | 428000 |
| GLORIA DEI NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| HAMPTON NHS | 0 | 0 | 1 | 0 | 0 | 4 | 75000 |
| HOPEWELL VILLAGE NHS | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| INDEPENDENCE NHP | 0 | 1 | 0 | 0 | 0 | 2 | 112000 |
| JOHNSTOWN FLOOD NMEM | 0 | 0 | 0 | 0 | 0 | 2 | 40000 |
| MAGGIE WALKER NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MID-ATLANTIC REGION | 0 | 1 | 1 | 2 | 0 | 0 | 0 |

LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS ($000's) |
|---|---|---|---|---|---|---|---|
| NEW RIVER GORGE NATIONAL RIVER | 0 | 0 | 0 | 1 | 1 | 11 | 318000 |
| RICHMOND NBP | 1 | 0 | 1 | 0 | 0 | 4 | 325000 |
| SHENANDOAH NP | 2 | 0 | 0 | 3 | 1 | 12 | 1349000 |
| THADDIUS KOSCIUSZKO NMEM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| THOMAS STONE NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| UPPER DELAWARE SCENIC & REC RIVER | 0 | 0 | 0 | 1 | 1 | 4 | 153000 |
| VALLEY FORGE NHP | 0 | 1 | 0 | 1 | 1 | 2 | 150000 |
| ** Subtotal ** | | | | | | | |
| | 4 | 6 | 8 | 15 | 8 | 101 | 7548000 |
| ** NATIONAL PARK SERVICE REGION: MWR | | | | | | | |
| AGATE FOSSIL BEDS NM | 0 | 0 | 0 | 0 | 0 | 0 | 3000 |
| ALLEGHENY PORTAGE RAILROAD NHS | 0 | 0 | 0 | 0 | 0 | 4 | 325000 |
| APOSTLE ISLANDS NL | 1 | 1 | 0 | 2 | 1 | 5 | 140000 |
| CUYAHOGA VALLEY NRA | 0 | 0 | 0 | 3 | 2 | 4 | 2300000 |
| EFFIGY MOUNDS NM | 1 | 0 | 0 | 1 | 0 | 2 | 22000 |
| FORT LARNED NHS | 0 | 0 | 0 | 1 | 0 | 5 | 161000 |
| FORT SCOTT NHS | 0 | 0 | 0 | 0 | 0 | 1 | 5000 |
| GEORGE ROGERS CLARK NHP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GEORGE WASHINGTON CARVER NM | 1 | 2 | 0 | 1 | 0 | 5 | 113000 |
| GRAND PORTAGE NM | 0 | 0 | 0 | 0 | 0 | 2 | 42000 |

LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS ($000's) |
|---|---|---|---|---|---|---|---|
| HARRY S TRUMAN NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| HERBERT HOOVER NHS | 0 | 0 | 0 | 1 | 0 | 1 | 4000 |
| HOMESTEAD NM OF AMERICA | 0 | 2 | 0 | 0 | 0 | 2 | 28000 |
| ILLINOIS AND MICHIGAN CANAL NHC | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INDIANA DUNES NL | 1 | 1 | 3 | 9 | 1 | 9 | 994000 |
| ISLE ROYALE NP | 0 | 0 | 0 | 2 | 0 | 15 | 1116000 |
| JAMES A GARFIELD NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| JEFFERSON NATIONAL EXPANSION MEM NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LEWIS AND CLARK NHT | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LINCOLN BOYHOOD NMEM | 0 | 0 | 0 | 0 | 0 | 3 | 26000 |
| LINCOLN HOME NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LOWER ST CROIX NATIONAL SCENIC RVRWY | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MIDWEST REGION | 0 | 1 | 0 | 3 | 0 | 6 | 1210000 |
| MOUND CITY GROUP NM | 0 | 0 | 0 | 0 | 0 | 0 | 175000 |
| OZARK NATIONAL SCENIC RIVERWAYS | 2 | 0 | 0 | 2 | 0 | 11 | 520000 |
| PERRY'S VICTORY INTER PEACE MEMORIAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PETERSBURG NB | 0 | 0 | 0 | 0 | 0 | 2 | 237000 |
| PICTURED ROCKS NL | 0 | 0 | 0 | 1 | 1 | 3 | 130000 |
| PIPESTONE NM | 0 | 0 | 0 | 0 | 0 | 2 | 15000 |
| SAINT CROIX NATIONAL SCENIC RIVERWAY | 2 | 0 | 0 | 3 | 1 | 6 | 252000 |
| SCOTTS BLUFF NM | 0 | 0 | 0 | 1 | 1 | 3 | 29000 |

LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS ($000's) |
|---|---|---|---|---|---|---|---|
| SLEEPING BEAR DUNES NL | 0 | 2 | 0 | 1 | 0 | [illegible] | 50000 |
| VOYAGEURS NP | 9 | 4 | 0 | 3 | 0 | 7 | 1053000 |
| WILLIAM HOWARD TAFT NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WILSON'S CREEK NB | 0 | 0 | 0 | 0 | 0 | 3 | 111000 |
| ** Subtotal ** | | | | | | | |
| | 17 | 13 | 3 | 34 | 7 | 104 | 9073000 |
| ** NATIONAL PARK SERVICE REGION: NAR | | | | | | | |
| ACADIA NP | 0 | 0 | 1 | 2 | 1 | 22 | 150000 |
| ADAMS NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BOSTON AFRICAN-AMERICAN NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BOSTON NHP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CAPE COD NS | 0 | 0 | 0 | 2 | 1 | 18 | 0 |
| CARL SANDBURG HOME NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CASTLE CLINTON NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELEANOR ROOSEVELT NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ELLIS ISLAND | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL HALL NMEM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FIRE ISLAND NP | 0 | 0 | 0 | 2 | 1 | 16 | 738000 |
| FORT STANWIX NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FREDERICK LAW OLMSTED NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS ($000's) |
|---|---|---|---|---|---|---|---|
| GATEWAY NRA | 0 | 0 | 0 | 1 | 0 | 10 | 957500 |
| GENERAL GRANT NMEM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| HAMILTON GRANGE NMEM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| HOME OF FDR NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| JOHN F KENNEDY NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LONGFELLOW NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LOWELL NHP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MANHATTAN SITES | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MARTIN VAN BUREN NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MINUTE MAN NHP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MORRISTOWN NHP | 0 | 0 | 0 | 0 | 0 | 7 | 190000 |
| NORTH ATLANTIC REGION | 1 | 0 | 1 | 6 | 1 | 2 | 142000 |
| ROGER WILLIAMS NMEM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ROOSEVELT CAMPOBELLO IP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SAGAMORE HILL NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SAINT PAUL'S CHURCH | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SAINT-GAUDENS NHS | 0 | 0 | 0 | 0 | 0 | 1 | 4000 |
| SALEM MARITIME NHS | 0 | 0 | 0 | 0 | 0 | 2 | 18500 |
| SARATOGA NHP | 0 | 0 | 0 | 0 | 1 | 11 | 356100 |
| SAUGUS IRON WORKS NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SPRINGFIELD ARMORY NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS ($000's) |
|---|---|---|---|---|---|---|---|
| ST CROIX ISLAND INT HIST SITE | 0 | 0 | 0 | 0 | 0 | 1 | 15000 |
| STATUE OF LIBERTY NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| THEODORE ROOSEVELT BIRTHPLACE NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| THEODORE ROOSEVELT INAUGURAL NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOURO SYNAGOGUE NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VANDERBILT MANSION NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WOMEN'S RIGHTS NHP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ** Subtotal ** | | | | | | | |
| | 1 | 0 | 2 | 13 | 5 | 100 | 2575100 |
| | | | | | | | |
| ** NATIONAL PARK SERVICE REGION: NCR | | | | | | | |
| BALTIMORE-WASHINGTON PARKWAY | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CATOCTIN MOUNTAIN PARK | 0 | 0 | 1 | 1 | 0 | 3 | 701000 |
| CHESAPEAKE AND OHIO CANAL NHP | 2 | 0 | 0 | 0 | 0 | 6 | 476000 |
| CLARA BARTON NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FREDERICK DOUGLASS HOME | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GEORGE WASHINGTON MEMORIAL PARKWAY | 0 | 0 | 0 | 2 | 0 | 11 | 1990000 |
| GREENBELT PARK | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| HARPERS FERRY NHP | 0 | 0 | 1 | 0 | 0 | 12 | 252000 |
| MANASSAS NBP | 0 | 0 | 1 | 1 | 1 | 8 | 1120000 |
| MONOCACY NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS ($000's) |
|---|---|---|---|---|---|---|---|
| NATIONAL CAPITAL PARKS - CENTRAL | 1 | 2 | 0 | 0 | 0 | 8 | 1210000 |
| NATIONAL CAPITAL PARKS - EAST | 0 | 0 | 1 | 1 | 1 | 20 | 2045000 |
| NATIONAL CAPITAL REGION | 0 | 0 | 1 | 10 | 0 | 3 | 1025000 |
| PRESIDENT'S PARK | 0 | 1 | 0 | 0 | 0 | 5 | 714000 |
| PRINCE WILLIAM FOREST PARK | 0 | 0 | 3 | 0 | 0 | 8 | 224000 |
| ROCK CREEK PARK | 0 | 1 | 3 | 0 | 0 | 8 | 588500 |
| WOLF TRAP FARM PARK | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| ** Subtotal ** | | | | | | | |
| | 4 | 5 | 11 | 15 | 2 | 92 | 10745500 |
| ** NATIONAL PARK SERVICE REGION: PNWR | | | | | | | |
| COULEE DAM NRA | 17 | 0 | 0 | 2 | 0 | 5 | 370000 |
| CRATER LAKE NP | 3 | 2 | 1 | 3 | 2 | 21 | 1207000 |
| CRATERS OF THE MOON NM | 0 | 2 | 0 | 0 | 0 | 7 | 312000 |
| EBEY'S LANDING NHRES | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FORT CLATSOP NMEM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FORT VANCOUVER NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| JOHN DAY FOSSIL BEDS NM | 2 | 0 | 1 | 0 | 0 | 6 | 206000 |
| LAKE CHELAN NRA | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MCLOUGHLIN HOUSE NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MOUNT RAINIER NP | 57 | 9 | 1 | 4 | 0 | 30 | 2155200 |

LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS ($000's) |
|---|---|---|---|---|---|---|---|
| NEZ PERCE NHP | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| NORTH CASCADES NP | 4 | 2 | 4 | 0 | 0 | 11 | 413200 |
| OLYMPIC NP | 0 | 0 | 2 | 6 | 2 | 18 | 1621000 |
| OREGON CAVES NM | 0 | 0 | 0 | 0 | 0 | 7 | 317300 |
| PACIFIC NORTHWEST REGION | 1 | 0 | 1 | 8 | 1 | 0 | 0 |
| ROSS LAKE NRA | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SAN JUAN ISLAND NHP | 4 | 0 | 0 | 0 | 0 | 10 | 376000 |
| WHITMAN MISSION NHS | 1 | 0 | 0 | 0 | 0 | 2 | 15000 |
| ** Subtotal ** | 90 | 16 | 10 | 23 | 5 | 117 | 6992700 |
| ** NATIONAL PARK SERVICE REGION: RMR | | | | | | | |
| ARCHES NP | 2 | 1 | 1 | 0 | 0 | 3 | 142000 |
| BADLANDS NP | 3 | 4 | 0 | 0 | 1 | 0 | 0 |
| BIG HOLE NAT BATTLEFIELD | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BIGHORN CANYON NRA | 7 | 0 | 0 | 2 | 0 | 3 | 232200 |
| BLACK CANYON THE GUNNISSON NM | 1 | 0 | 0 | 0 | 0 | 3 | 62600 |
| BRYCE CANYON NP | 0 | 0 | 0 | 1 | 0 | 6 | 329500 |
| CANYONLANDS NP | 21 | 0 | 0 | 4 | 1 | 11 | 1213000 |
| CAPITOL REEF NP | 4 | 1 | 0 | 1 | 0 | 13 | 213000 |

LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS ($000's) |
|---|---|---|---|---|---|---|---|
| CEDAR BREAKS NM | 0 | 0 | 0 | 0 | 0 | 3 | 39500 |
| COLORADO NM | 3 | 0 | 0 | 1 | 0 | 0 | 0 |
| CURECANTI NM | 6 | 1 | 0 | 0 | 0 | 2 | 330400 |
| CUSTER BATTLEFIELD NM | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| DEVILS TOWER NM | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| DINOSAUR NM | 2 | 1 | 2 | 1 | 0 | 7 | 1987000 |
| FLORISSANT FOSSIL BEDS NM | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| FORT LARAMIE NHS | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| FORT UNION TRADING POST NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FOSSIL BUTTE NM | 1 | 0 | 0 | 0 | 0 | 3 | 60000 |
| GLACIER NP | 14 | 39 | 3 | 11 | 0 | 5 | 2667000 |
| GLEN CANYON NRA | 0 | 0 | 0 | 4 | 1 | 1 | 105000 |
| GOLDEN SPIKE NHS | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| GRAND TETON NP | 1 | 0 | 1 | 7 | 1 | 15 | 3987300 |
| GRANT-KOHRS NHS | 6 | 0 | 0 | 0 | 0 | 0 | 0 |
| GREAT SAND DUNES NM | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| HOVENWEEP NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| JEWEL CAVE NM | 2 | 2 | 0 | 0 | 0 | 0 | 0 |
| JOHN D ROCKEFELLER PARKWAY | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| KNIFE RIVER INDIAN VILLAGES NHS | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| MESA VERDE NP | 2 | 0 | 3 | 1 | 1 | 2 | 194000 |

LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS ($000's) |
|---|---|---|---|---|---|---|---|
| MOUNT RUSHMORE NMEM | 6 | 0 | 0 | 0 | 0 | 0 | 0 |
| NATURAL BRIDGES NM | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| PIPESPRING NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RAINBOW BRIDGE NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ROCKY MOUNTAIN NP | 10 | 1 | 1 | 3 | 0 | 9 | 1040900 |
| ROCKY MOUNTAIN REGION | 0 | 0 | 3 | 1 | 0 | 0 | 0 |
| THEODORE ROOSEVELT NP | 2 | 1 | 4 | 1 | 1 | 2 | 353000 |
| TIMPANOGOS CAVE NM | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| WIND CAVE NP | 0 | 2 | 1 | 1 | 0 | 1 | 5500 |
| YELLOWSTONE NP | 11 | 28 | 1 | 18 | 0 | 7 | 6753000 |
| YUCCA HOUSE NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ZION NP | 2 | 1 | 0 | 2 | 0 | 3 | 163500 |
| ** Subtotal ** | | | | | | | |
| | 120 | 82 | 20 | 60 | 6 | 99 | 19898400 |
| ** NATIONAL PARK SERVICE REGION: SER | | | | | | | |
| ABRAHAM LINCOLN BIRTHPLACE NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ANDERSONVILLE NHS | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| ANDREW JOHNSON NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BIG CYPRESS NATIONAL PRESERVE | 7 | 0 | 0 | 7 | 1 | 7 | 1955000 |
| BIG SOUTH FORK NR & RA | 0 | 0 | 4 | 1 | 0 | 6 | 480000 |

## LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

## RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS ($000's) |
|---|---|---|---|---|---|---|---|
| BISCAYNE NP | 0 | 0 | 0 | 3 | 1 | 0 | 0 |
| BLUE RIDGE PARKWAY | 0 | 0 | 0 | 2 | 0 | 5 | 518000 |
| BUCK ISLAND REEF NM | 0 | 0 | 1 | 0 | 0 | 4 | 244000 |
| CANAVERAL NS | 3 | 1 | 0 | 0 | 0 | 5 | 294300 |
| CAPE HATTERAS NS | 0 | 0 | 0 | 1 | 0 | 4 | 357000 |
| CAPE LOOKOUT NS | 2 | 0 | 0 | 0 | 0 | 5 | 212000 |
| CASTILLO DE SAN MARCOS NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CHATAHOOCEE RIVER NRA | 12 | 0 | 0 | 0 | 0 | 0 | 0 |
| CHICKAMAUGA AND CHATTANOOGA NMP | 5 | 3 | 0 | 0 | 0 | 0 | 0 |
| CHRISTIANSTED NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CONGAREE SWAMP NM | 1 | 0 | 1 | 0 | 0 | 2 | 56000 |
| COWPENS NB | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| CUMBERLAND GAP NHP | 0 | 3 | 0 | 0 | 0 | 2 | 22500 |
| CUMBERLAND ISLAND NS | 0 | 0 | 0 | 0 | 0 | 3 | 336000 |
| DE SOTO NMEM | 2 | 0 | 0 | 1 | 1 | 0 | 0 |
| EVERGLADES NP | 0 | 2 | 0 | 0 | 0 | 4 | 1645000 |
| FOOTHILLS PARKWAY | 0 | 0 | 0 | 50 | 0 | 0 | 0 |
| FORT CAROLINE NMEM | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| FORT DONELSON NMP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FORT FREDERICA NM | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| FORT JEFFERSON NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS ($000's) |
|---|---|---|---|---|---|---|---|
| FORT MATANZAS NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FORT PULASKI NM | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| FORT RALEIGH NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FORT SUMTER NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GREAT SMOKY MOUNTAINS NP | 0 | 1 | 0 | 22 | 1 | 2 | 720000 |
| GUILFORD COURTHOUSE NMP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GULF ISLANDS NS | 0 | 0 | 0 | 1 | 0 | 5 | 156000 |
| HORSESHOE BEND NMP | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| KENNESAW MOUNTAIN NBP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| KINGS MOUNTAIN NMP | 1 | 2 | 0 | 0 | 0 | 0 | 0 |
| MAMMOTH CAVE NP | 0 | 1 | 7 | 4 | 1 | 4 | 345000 |
| MARTIN LUTHER KING, JR NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MOORES CREEK NBP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NATCHEZ TRACE PARKWAY | 30 | 0 | 0 | 1 | 0 | 0 | 0 |
| NINETY SIX NHS | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| OBED WILD AND SCENIC RIVER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OCMULGEE NM | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| RUSSELL CAVE NM | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| SAN JUAN NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SHILOH NMP | 0 | 2 | 0 | 0 | 0 | 0 | 0 |
| SOUTHEAST REGION | 1 | 0 | 1 | 5 | 0 | 0 | 0 |

## LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

## RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS (000's) |
|---|---|---|---|---|---|---|---|
| STONES RIVER NB | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TUSKEGEE INSTITUTE NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VICKSBURG NMP | 0 | 0 | 0 | 0 | 0 | 1 | 287500 |
| VIRGIN ISLANDS NP | 0 | 3 | 1 | 2 | 1 | 9 | 1230000 |
| WRIGHT BROTHERS NMEM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ** Subtotal ** | 83 | 19 | 16 | 100 | 6 | 69 | 8758300 |
| ** NATIONAL PARK SERVICE REGION: SWR | | | | | | | |
| ALIBATES FLINT QUARRIES NM | 0 | 0 | 0 | 0 | 0 | 1 | 51500 |
| AMISTAD NRA | 10 | 0 | 0 | 0 | 0 | 0 | 0 |
| ARKANSAS POST N MEM | 2 | 0 | 0 | 0 | 0 | 1 | 12500 |
| AZTEC RUINS NM | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANDELIER NM | 0 | 0 | 0 | 2 | 0 | 3 | 302000 |
| BENT'S OLD FORT NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BIG BEND NP | 4 | 7 | 0 | 3 | 0 | 10 | 1122000 |
| BIG THICKET NATIONAL PRESERVE | 0 | 10 | 1 | 1 | 0 | 10 | 922000 |
| BUFFALO NATIONAL RIVER | 3 | 8 | 4 | 1 | 1 | 13 | 912000 |
| CANYON DE CHELLY NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CAPULIN MOUNTAIN NM | 1 | 1 | 0 | 0 | 0 | 0 | 0 |

## LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

## RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS (000's) |
|---|---|---|---|---|---|---|---|
| CARLSBAD CAVERNS NP | 1 | 9 | 0 | 2 | 1 | 1 | 5500 |
| CHACO CULTURE NHP | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| CHAMIZAL NMEM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CHICKASAW NRA | 2 | 0 | 0 | 2 | 1 | 5 | 284000 |
| EL MORRO NM | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| FORT DAVIS NHS | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| FORT SMITH NHS | 0 | 3 | 0 | 0 | 0 | 0 | 0 |
| FORT UNION NM | 2 | 0 | 0 | 0 | 0 | 1 | 45000 |
| GILA CLIFF DWELLINGS NM | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| GUADALUPE MOUNTAINS NP | 0 | 0 | 0 | 0 | 0 | 6 | 407200 |
| HOT SPRINGS NP | 7 | 1 | 0 | 1 | 0 | 6 | 284000 |
| HUBBELL TRADING POST NHS | 3 | 0 | 0 | 0 | 0 | 2 | 535000 |
| JEAN LAFITTE NHP AND PRESERVE | 7 | 0 | 1 | 1 | 0 | 6 | 373000 |
| LAKE MEREDITH NRA | 0 | 1 | 0 | 0 | 0 | 2 | 248500 |
| LYNDON B JOHNSON NHP | 3 | 0 | 0 | 0 | 0 | 6 | 121000 |
| NAVAJO NM | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| PADRE ISLAND NS | 0 | 0 | 0 | 2 | 0 | 9 | 2242000 |
| PALO ALTO BATTLEFIELD NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PEA RIDGE NMP | 3 | 0 | 0 | 0 | 0 | 1 | 30000 |
| PECOS NM | 0 | 0 | 0 | 0 | 0 | 2 | 50000 |
| RIO GRAND WILD AND SCENIC RIVER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS (000's) |
|---|---|---|---|---|---|---|---|
| SALINAS NM | 1 | 0 | 0 | 0 | 0 | 2 | 31000 |
| SAN ANTONIO MISSIONS NHP | 2 | 0 | 0 | 0 | 0 | 2 | 62000 |
| SOUTHERN ARIZONA GROUP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SOUTHWEST REGION | 0 | 0 | 0 | 7 | 0 | 0 | 0 |
| SUNSET CRATER NM | 3 | 0 | 0 | 1 | 0 | 4 | 115000 |
| WHITE SANDS NM | 1 | 0 | 0 | 0 | 0 | 2 | 41000 |
| WUPATKI NM | 0 | 0 | 0 | 0 | 0 | 5 | 538000 |
| ** Subtotal ** | | | | | | | |
| | 62 | 40 | 7 | 23 | 3 | 1[illegible] | 3735000 |
| ** NATIONAL PARK SERVICE REGION: WR | | | | | | | |
| AMERICAN MEMORIAL PARK | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CABRILLO NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CASA GRANDE NM | 0 | 0 | 0 | 0 | 0 | 2 | 14000 |
| CHANNEL ISLANDS NP | 0 | 1 | 1 | 4 | 0 | 4 | 1598000 |
| CHIRICAHUA NM | 0 | 0 | 0 | 0 | 0 | 2 | 115000 |
| CORONADO NMEM | 0 | 0 | 0 | 0 | 0 | 2 | 65000 |
| DEATH VALLEY NM | 1 | 2 | 0 | 6 | 0 | 3 | 456000 |
| DEVILS POSTPILE NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EUGENE O'NEILL NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FORT BOWIE NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS (000's) |
|---|---|---|---|---|---|---|---|
| FORT POINT NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GOLDEN GATE NRA | 0 | 3 | 0 | 2 | 0 | 4 | 1174000 |
| GRAND CANYON NP | 0 | 1 | 1 | 4 | 0 | 5 | 300000 |
| HALEAKALA NP | 0 | 2 | 0 | 6 | 2 | 6 | 2871000 |
| HAWAII VOLCANOES NP | 0 | 0 | 0 | 16 | 1 | 9 | 5103000 |
| JOHN MUIR NHS | 0 | 0 | 0 | 0 | 0 | 1 | 12000 |
| JOSHUA TREE NM | 0 | 0 | 0 | 2 | 0 | 2 | 65000 |
| KALAUPAPA NHP | 0 | 0 | 0 | 0 | 0 | 2 | 910000 |
| LAKE MEAD NRA | 0 | 2 | 2 | 1 | 1 | 3 | 72000 |
| LASSEN VOLCANIC NP | 0 | 0 | 0 | 1 | 0 | 5 | 219000 |
| LAVA BEDS NM | 0 | 0 | 0 | 1 | 0 | 2 | 70000 |
| LEHMAN CAVES NM | 0 | 0 | 0 | 0 | 0 | 2 | 9000 |
| MONTEZUMA CASTLE NM | 0 | 0 | 0 | 0 | 0 | 2 | 55000 |
| MUIR WOODS NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ORGAN PIPE CACTUS NM | 0 | 0 | 2 | 0 | 0 | 10 | 499000 |
| PETRIFIED FOREST NP | 0 | 0 | 0 | 1 | 0 | 4 | 562000 |
| PINNACLES NM | 0 | 1 | 1 | 0 | 1 | 2 | 433000 |
| POINT REYES NS | 0 | 1 | 0 | 4 | 0 | 6 | 375000 |
| PUUHONUA O HONAUNAU NHP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PUUKOHOLA HEIAU NHS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| REDWOOD NP | 1 | 3 | 1 | 55 | 0 | 2 | 755000 |

LOCATION OF NATURAL RESOURCE MANAGEMENT TRAINEES

RELATIVE TO CURRENT STAFFING AND PROJECT NEEDS

| NAME OF PARK | RES MNGT STAFF & SCIENTISTS: (1-30% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (31-60% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (61-90% OF DUTY TIME) | NAT RES STAFF & SCIENTISTS: (91-100% OF DUTY TIME) | NUMBER OF N.R. TRAINEES ASSIGNED | NUMBER OF PRIORITY UNFUNDED PROJECTS | ESTIMATED COST OF PROJECTS (000's) |
|---|---|---|---|---|---|---|---|
| SAGUARO NM | 0 | 0 | 0 | 1 | 0 | 8 | 464000 |
| SANTA MONICA MOUNTAINS NRA | 0 | 0 | 0 | 5 | 0 | 2 | 550000 |
| SEQUOIA NP | 0 | 0 | 0 | 21 | 0 | 6 | 1809000 |
| TONTO NM | 0 | 0 | 0 | 0 | 0 | 1 | 4000 |
| TUMACACORI NM | 0 | 0 | 0 | 0 | 0 | 1 | 10000 |
| TUZIGOOT NM | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| U.S.S. ARIZONA MEMORIAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WALNUT CANYON NM | 0 | 0 | 0 | 0 | 0 | 2 | 112000 |
| WAR IN THE PACIFIC NHP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WESTERN REGION | 0 | 0 | 0 | 13 | 0 | 0 | 0 |
| WHISKEYTOWN NRA | 0 | 0 | 1 | 3 | 0 | 2 | 175000 |
| YOSEMITE NP | 0 | 0 | 0 | 27 | 0 | 11 | 10279000 |
| ** Subtotal ** | 2 | 16 | 9 | 173 | 5 | 114 | 29135000 |
| *** Total *** | 436 | 197 | 92 | 471 | 51 | 995 | 118272000 |

## Air Quality Program

35a. Question: Within the Air Quality Program, how is the $4,064,000 distributed by park and by activity?

Answer: The distribution of Air Quality Program funds by park and activity is as follows:

1. Biological Effects Research - $555,000. Projects are currently being conducted in, or are directly related to vegetative resources in approximately 120 units. Some programs, such as an inventory of floral species in National Park Service units, benefit all park units.

2. Visibility Program - $1,404,000. Fine particulate and/or visibility monitoring is currently being conducted in 36 park units ($926,000). Visibility data analysis and interpretation studies ($478,000) benefit all parks.

3. Criteria Pollutant Monitoring - $285,000. Criteria pollutant monitoring is currently being conducted in 20 park units.

4. Visibility and Criteria Pollutant Monitoring at New Sites - $1,035,000. Nine new park units where no baseline air quality data exist and where no monitoring currently is being conducted are being added to the network in fiscal year 1986.

5. Air Quality Modeling - $240,000. Air pollution modeling studies are being conducted to determine how and under what conditions air pollution is transported into units of the National Park System.

6. The remainder of the funds are distributed among programs addressing State coordination, regulatory analysis, planning and policy, training and interpretation, review of environmental assessment documents, and permit review and technical support.

A list of all parks where monitoring is ongoing or planned in fiscal year 1986 follows. This chart does not include biological effects studies and predictive modeling.

NATIONAL PARK SERVICE
CRITERIA POLLUTANT AND VISIBILITY
AIR QUALITY MONITORING

| | | | | | | | | | | | FUNDED BY | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PARK | CAA | T | N | C | FP | MET | SO2 | O3 | TSP | NO2 | AIR | PARK | REG | OTHER | COMMENTS |
| Acadia NP | I | X | | X | | X | | X | X | X | X | | | X | TSP, State |
| Arches NP* | I | | | X | | | | | | | | | | | Initiate Summer/Fall 1986 |
| Big Bend NP | I | X | | X | X | | | | | | X | X | X | | |
| Big Thicket NP | II | | | | | | X | X | | | X | | | | |
| Black Canyon of the Gunnison NM | I | X | | X | | | | | | | | | | X | BLM Funding |
| Bryce Canyon NP | I | X | | X | X | X | | | | | X | | | | |
| Buffalo N River | II | X | | X | X | | | | | | X | | | | |
| Canyonlands NP | I | X | | X | X | | | | | | X | X | | | |
| Capitol Reef NP | I | X | | X | | | | | | | X | | | | |
| Capulin Mtn. NM | II | X | | X | X | | | | | | X | X | X | | |
| Carlsbad*/Guadalupe NP | I | X | | X | X | X | | | | | X | X | X | | Carlsbad,Initiate Summer/Fall 1986 |
| Chaco Culture NHP | II | X | | X | X | | | | | | X | | | | |
| Channel Islands | II | | | | | | X | X | | X | | | | X | (County) |
| Chiricahua NM | I | X | | X | X | | | | | | X | | | | |
| Colorado NM | II | | | X | | | X | X | X | | X | | | X | (State) |
| Conagree Swamp NM | II | | | | | | X | X | X | X | | | | X | (State) |
| Crater Lake NP | I | X | X | X | X | | | | | | X | X | | X | (State-T - Park-N) |
| Craters of the Moon NM | I | X | | X | X | | | | | | X | | | | |
| Cuyahoga Valley NRA | II | | | | | | X | X | | | X | | | | |
| Death Valley NM | II | X | | X | X | X | | | X | | X | | | | |
| Denali NP* | I | | | X | | | | | | | | | | | Initiate Summer/Fall 1986 |
| Dinosaur NM | II | X | | X | X | | | | | | X | | | | |
| Everglades NP | I | | | X | | | X | X | X | | X | X | | X | (State) |
| Glacier NP | I | X | | X | X | | | | X | | X | | | | |
| Glen Canyon NRA | II | X | | X | | | | | | | X | | | | |
| Grand Canyon NP | I | X | | X | X | X | | X | | | X | | | | |
| Grand Teton NP | I | X | | X | X | | | | | | X | | | | |
| Great Sand Dunes NM | I | | | | | | | | | | | | | | |
| Great Smoky Mtn. NP | I | X | X | X | X | X | X | X | X | X | X | | | | |
| Hawaii Volcanoes NP* | I | | | X | | | | | | | | | | | Initiate Summer/Fall 1986 |
| Indiana Dunes NL | II | | | | | | X | X | X | | | X | | | |
| Isle Royale NP* | I | | | X | | | | | | | | | | | Initiate Summer/Fall 1986 |

### NATIONAL PARK SERVICE
### CRITERIA POLLUTANT AND VISIBILITY
### AIR QUALITY MONITORING

| | | | | | | | | | | | FUNDED BY | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PARK | CAA | T | N | C | FP | MET | SO2 | O3 | TSP | NO2 | AIR | PARK | REG | OTHER | COMMENTS |
| Joshua Tree NM | I | X | | X | X | | | X | | | X | | | | |
| Lake Mead NRA | II | X | | X | | | | | | | X | | | | |
| Lava Beds NM | I | X | | X | X | | | | | | X | | | | |
| Lehman Caves NM | II | X | | X | X | | | | | | X | | | | |
| Mammoth Cave NP | I | | | | | | | X | | | | | | X | (State) |
| Mesa Verde NP | I | X | | X | X | | | | | | X | | | | |
| Mt. Rainier NP | I | | | X | | | | | | | X | | | | |
| Navajo NM | II | | | X | | | | | | | X | | X | | |
| North Cascades NP | I | | | X | | | | | | | | | | | |
| Olympic NP | I | | | X | | X | X | X | X | | X | X | | X | (State) |
| Petrified Forest NP* | I | | | X | | | | | | | | | | | Initiate Summer/Fall 1986 |
| Pinnacles NM* | I | | | X | | | | | | | | | | | Initiate Summer/Fall 1986 |
| Rocky Mountain NP | I | X | | X | X | X | | X* | | | X | | | | Initiate Summer 1986 |
| Saguaro NM | I | | | | | | X* | X | | | X | | | | Initiate Spring 1986 |
| Santa Monica Mtns. NRA | II | | | | | | | X | | | X | | | | |
| Sequoia/Kings Canyon NPs | I | | | | | | | X | X | | | X | | X | (State) |
| Shenandoah NP | I | X | | X | X | | X | X | | | X | | | | |
| Theodore Roosevelt NP | I | X | | X | X | | X | X | X | | X | | | X | (SO2, O3, TSP, State) |
| Voyageurs NP* | I | | | X | | | | | | | | | | | Initiate Summer/Fall 1986 |
| Wind Cave NP | I | X | | X | X | | | | | | X | | | | |
| Yellowstone NP* | I | | | X | | | | | | | | | | | Initiate Summer/Fall 1986 |
| Yosemite NP | I | X | | X | X | | | X* | | | X | | | | Initiate Summer 1986 |
| Zion NP | I | X | | | | | | | | | X | | | | |

KEY

CAA - Clean Air Act Classification
T - Teleradiometer
N - Nephelometer
C - Camera
FP - Fine Particulate
Met - Meteorological Station

SO2 - Sulfur Dioxide
O3 - Ozone
TSP - Total Suspended Particulate
NO2 - Nitrogen Dioxide
* - To be initiated in 1986

35b. Question: What is not being met, if anything, in order for the Service to be in compliance with the Clean Air Act?

Answer: The Service has built an effective program to assure compliance with the Clean Air Act. This program reviews proposed permit applications for new sources potentially affecting parks; addresses regulatory, policy, and planning issues concerning air quality in parks; and performs air quality research and monitoring activities in parks. Through this program, the Service has complied with the Clean Air Act. The Service is concerned that data gathered to date suggest that air pollution is causing or contributing to adverse effects on sensitive park resources. More work is needed on modeling to establish source/receptor and cause/effect relationships. By the end of fiscal year 1986, we will be monitoring in 40 of the 48 Class I parks. Additional monitoring is required to establish baseline concentrations, particularly in the remaining Class I parks, threatened Class II parks, and relatively pristine "background" parks, which have no monitoring data. More research is also needed to establish sensitivities of native species to air pollution.

36a. Question: Are there parks other than Class I that should be monitored?

Answer: As funds are available, we will expand monitoring to areas as previously described.

36b. Question: How much air quality work is underway by other Federal or private researchers and where is it? How is this coordinated?

Answer: A variety of air quality research is funded by other State and Federal agencies, as well as some private organizations, but the emphasis of this research is on public health or economic crops. The National Park Service uses the information developed under other studies to enhance its research, however studies funded by the Service focus on air pollution impacts on cultural and natural resources in its research. The National Park Service participates with other agencies and groups as members of task forces and committees. As a member of the National Acid Precipitation Assessment Program task force, the Service determines, along with other members, the research priorities of the National Acid Precipitation Assessment Program acid deposition studies. The National Park Service is one of several partners planning and coordinating visibility research. Together with the Environmental Protection Agency and the Electric Power Research Institute, the National Park Service plans and coordinates visibility research monitoring strategies which will impact national parks. Florida Power and Light, as a potential Prevention of Significant Deterioration permit applicant, is working closely with the Service under an agreement which funds biological effects research studies in Everglades and Biscayne National Parks and Big Cypress National Preserve. Through additional agreements with other Federal agencies such as the U.S. Forest Service, the Bureau of Land Management, the Department of

Energy, and State and county agencies, the Service coordinates extensively to ensure that its research results are shared and utilized by others, and that natural resources within the Park Service benefit from research done by others.

Alaska Mining and Minerals Program

37. Question: Will the workload associated with preparing the three mining Environmental Impact Statements be funded out of the Denver Service Center base or a part of the $2,100,000 increase requested.

Answer: Yes it is part of the requested increase.

Southern Arizona Group and Utah State Director

38a. Question: What is the Southern Arizona Group and the Utah State Director listed on page 136 of the justification?

Answer: The Southern Arizona Group is the field area headquarters for the park units in Southern Arizona. It is composed of 12 park areas as follows:

Casa Grande National Monument
Chiricahua National Monument
Coronado National Memorial
Fort Bowie National Historic Site
Hohokam Pima National Monument
Montezuma Castle National Monument
Organ Pipe Cactus National Monument
Saguaro National Monument
Tonto National Monument
Tumacacori National Monument
Tuzigoot National Monument
Walnut Canyon National Monument

The General Superintendent of the Southern Arizona Group gives line direction to the area superintendents. The staff provides services and support in the fields of interpretation, visitor services, resource management, maintenance, personnel, safety, procurement, construction, planning and administrative management. The office is located in Phoenix, Arizona, and is administered by the Western Regional Office of the Park Service.

The Utah State Director, located in Salt Lake City, Utah, serves as the Rocky Mountain Regional Director's representative for matters related to all park areas in the State of Utah. Responsibilities include liaison with State agencies and other interested parties, cooperative relationships with other Federal agencies, and review of park planning and management programs with a view toward promoting increased cooperation between the Service and related local, State and Federal activities.

38b. Question: Why are these budgeted separate from other organization elements?

Answer: As distinct and separate park-related offices, although not technically park areas, the Southern Arizona Group and the Utah State Director are provided annually with funds to carry out their responsibilities and are listed with other similar field organizations in the budget justification.

## Performing Arts

39. Question: On page 142, you show that the National Symphony is budgeted at $584,500 in 1987 and National Capital Region Performing Arts assistance is funded at $862,000. Please provide for the record a funding history back to 1975 for these activities and a breakdown of the activities funded.

Answer: The funding history (fiscal year 1975 through fiscal year 1986) for the performing arts programs in the National Capital Region area is as follows:

| | Ford's Theatre | | Wolf Trap | | National Symphony 1/ Orchestra Contracts | Carter Barron Contracts |
|---|---|---|---|---|---|---|
| Fiscal Year | Program Support | Ushers | Program Support | Stage hands | Appropriated Amount | Appropriated Amount |
| 1975 | 175,000 | 27,855 | 150,000 | 293,142 | 215,000 | 217,000 |
| 1976 | 200,000 | 36,994 | 350,000 | 654,559 | 232,000 | 200,000 |
| 1977 | 175,000 | 33,373 | 150,000 | 383,247 | 90,000 | 50,000 |
| 1978 | 175,000 | 27,213 | 265,000 | 392,004 | -- | -- |
| 1979 | 325,000 | 23,445 | 250,000 | 428,181 | 300,000 | 33,000 |
| 1980 | 175,000 | 23,000 | 150,000 | 450,000 | 300,000 | 410,000 |
| 1981 | 200,000 | 25,000 | 175,000 | 450,000 | 405,000 | 42,000 |
| 1982 | 192,000 | 24,000 | 168,000 | 432,000 | 336,000 | 33,600 |
| 1983 | 300,000 | 25,000 | 175,000 | 450,000 | 600,000 | 35,000 |
| 1984 | 200,000 | 25,000 | 175,000 | 450,000 | 600,000 | 35,000 |
| 1985 | 196,000 | 24,500 | 171,500 | 441,000 | 588,000 | 34,300 |
| 1986 | 186,447 | 23,305 | 163,141 | 419,505 | 559,000 | 32,000 |
| 1987 | 195,000 | 24,100 | 171,000 | 438,000 | 584,500 | 34,000 |

1/ Includes Capitol Hill concerts, support for concerts and television coverage for the July 4th concert.

## Outlays and Budget Authority

40. Question: Your outlay and BA chart on p. 149 doesn't make sense to me. The chart shows outlays of $10.8 million associated with the 1986 supplemental BA of $13.5 million, or 80%. Yet you show outlays lagging behind BA in 1985, and running ahead of BA in 1986 and 1987. Why is that?

Answer: The estimated outlays that appear to be "running ahead of" budget authority for fiscal years 1986 and 1987 are larger than the estimated budget authority because of carryover balances to be outlayed; carryovers at the beginning of the year are estimated to be larger than carryovers at the end of the year. This tends to happen when budget authority is reduced from one year to the next because carryovers tend to be proportional to the budget authority from which the carryovers come. When budget authority increases from one year to the next, outlays tend to be less than the budget authority for the same year.

## Parkway Construction Funding Needs

41. Question: Please provide for the record current and future construction funding needs for Natchez Trace, Cumberland Gap, Foothills and other major parkway projects.

Answer: The allocations of the Federal Lands Highways Program funding for fiscal years 1986 and 1987 and future years, if authorized, for the Natchez Trace, Cumberland Gap and Foothills Parkways are as follows:

### Natchez Trace Parkway

| FY 1986 Allocation | FY 1987 Request | Future Year Requirements |
|---|---|---|
| $8.8 million, Sections 1C2, 1C3, and 1B | $5.5 million, construction Section 1B, Tennessee (Maximum which could be obligated in fiscal year 1987 is $18 million.) | $80-$90 million (40 miles of roadway) |

### Cumberland Gap Tunnel Project

| FY 1986 Allocation | FY 1987 Request | Future Year Requirements |
|---|---|---|
| $10.3 million (Liquidation of Contract Authority) | $0 - No additional funds required | $110-$115 million |

### Foothills Parkway

| FY 1986 Allocation | FY 1987 Request | Future Year Requirements |
|---|---|---|
| $9.57 million, new construction | $7.5 million - Additional roadway construction | $35-$40 million (7.1 miles, construction and 25.1 miles, paving) |

## Resource Protection for Rivers

42. Question: Please provide a briefing paper on section 7(b) of Public Law 90-542.

Answer: Section 7(b) of Public Law 90-542 provides resources protection for rivers authorized for study by Congress pursuant to section 5(a) of the act as potential units of the National Wild and Scenic Rivers System (National System). Specifically, the Federal Energy Regulatory Commission (FERC) is prohibited from licensing any project works on these rivers which would have a direct and adverse effect on the values for which Congress might designate them as components of the National System, and all other Federal agencies are prohibited from participating (by construction or issuing permits, licenses, grants or otherwise for construction) in water resource development projects which would adversely affect those values. The determination of effect is made by the Secretary of Agriculture (through the Forest Service) or the Secretary of the Interior (through the National Park Service), however, and not by the FERC or the Federal agency involved in the proposed project. The moratorium on these types of projects is in place during the authorized study period and for a period of 3 years after the President submits the report and his recommendations to Congress.

The basic intent of section 7(b) is to preserve those values which would make a study river a worthy component of the National System until Congress has had ample opportunity to consider whether the river should be added to the National System. At present, the following rivers or segments of them are protected by this moratorium:

Obed, Tennessee
Cache la Poudre, Colorado
Colorado, Colorado and Utah
Manistee, Michigan
Nolichucky, Tennessee and North Carolina
Snake, Washington, Idaho and Oregon
Kern, Nohrt Fork, California
Gauley, West Virginia
Birch, West Virginia
Kanektok, Alaska
Kisaralik, Alaska
Melozitna, Alaska
Situk, Alaska
Porcupine, Alaska
Yukon, Alaska
Koyuk, Alaska
Ogeechee, Georgia
Fish Creek, East Branch, New York
Cacapon, West Virginia
Escatawpa, Alabama and Mississippi
Myakka, Florida
Soldier Creek, Alabama
Bluestone, West Virginia
Wildcat Creek, New Hampshire
Horsepasture, North Carolina
North Umpqua, Oregon

## Blue Ridge Parkway

43. Question: Please provide a briefing paper on the need and cost of a headquarters project for the Blue Ridge Parkway. Please include an economic analysis of a lease versus build comparison, making assumptions as necessary for the cost of construction and land acquisition, if needed. Are there program benefits to the construction?

Answer: There are some advantages for having a parkway headquarters located on parkway land. Such a facility would provide a closer relationship between headquarters and field employees. However, it is difficult to quantify the costs versus benefits of construction versus leasing office space. The space currently occupied on the seventh floor of the Northwestern Plaza building in downtown Asheville costs $60,000 per year to rent. It is estimated that the direct cost for constructing a headquarters facility would be approximately $4 million. Land acquisition for a suitable site adjacent to the parkway is estimated to total $659,000. Based strictly in terms of avoided leasing costs, the $4,659,000 required for headquarters construction and land acquisition would be very hard to justify.

## Yosemite National Park

44. Question: Yosemite package 473 shows up as high priority on the 5-year construction program but the justification indicates that power would be acquired, not generated. Please explain.

Answer: Yes, Yosemite package 473 has, in the past, included an expensive component to reconstruct the park's hydroelectrical power plant, water diversion structures, and penstock. However, upon very detailed analysis of the environmental consequences of diverting a large amount of water from the Merced River, the Service decided that the environmental consequences would adversely affect this river. This judgment and the marginal economic benefits of a new hydroelectric power plant (estimated to cost $20 million) led the Service to cancel this component of construction package 473. However, other necessary electrical distribution system repairs are still planned and $3.74 million is being requested in fiscal year 1987 to install a new switching station and underground electrical lines in Yosemite Valley.

## Construction Priority List

45. Question: Please provide a pen and ink estimate of the date planning and/or construction obligations that could occur for each project on the construction priority list.

Answer: An annotated estimate of the date planning and/or construction could occur for each Servicewide priority project would be virtually impossible to provide inasmuch as a date on which obligations could occur is directly dependent on the amount of funding available. For example, if $200-$300 million were available for planning in fiscal year 1987, it would not be inconceivable to begin advance planning on every project on the Servicewide construction priority list that has not had any planning funded (approximately 500 projects) in fiscal year 1987. Then, if sufficient planning funding were made available in fiscal years 1988 and 1989, it would be possible to obligate perhaps $800 million in Servicewide priority construction during fiscal year 1990 and another $800 million in fiscal year 1991, thereby completing the entire $1.6 billion construction backlog by fiscal year 1992.

The relationship between obligation dates and level of funding is the same when very limited financial resources are available. If the Planning Program was funded at $5 million annually and the Line Item Construction Program was funded at $15 million annually, it would take almost 100 years to obligate the projects identified on the Servicewide construction priority listing. Between the two extreme funding examples presented, any number of future year projects could be started in a given year and completed 2 to 3 years later.

## Sitka National Historical Park

46. Question: What is the $1,229,000 for Sitka? Is it for more work on the Russian Bishop's House? Please show on a map which building is targeted and include a briefing statement.

Answer: The $1.2 million estimate for the Russian Bishop's House that appears on the latest construction priority listing represents an amount needed to complete this project. Acquiring interior doors, historic fixtures, storm windows, completion of mechanical and electrical work, wallpapering, and completion of exterior grounds work is estimated to total $550,000. Acquisition of historic furnishings and construction of exhibits is estimated to total $679,000. No other structures are involved, only the Russian Bishop's House.

47. Question: Please provide briefing papers, including estimated obligation dates and status of planning for each of the following Park units/packages:

| Park Unit | Package |
|---|---|
| Gateway | 149 |
| Catoctin | 152 |
| Yosemite | 473 |
| Hatteras | 175 |
| Sitka | 115 |
| Canaveral | 107 |
| Klondike | 114 |
| Harpers Ferry | 114 |
| G.W. Parkway | 474 |
| NCP - East | 316 |
| Wolf Trap | 130 |
| NCP - Central | 409 |
| Johnstown Flood | 148 |
| Mammoth Cave | 161 |
| Taft | 101 |
| Voyageurs | 154 |
| Blue Ridge | 132 |
| Blue Ridge | 504 |

Answer: Following is a status report on the various park units and package numbers requested:

Gateway National Recreation Area #149 - Rehabilitate Great Kills Seawall and Replace Bathhouse

Project planning for the seawall repairs, which received a $5.1 million appropriation in fiscal year 1986, has been completed and the Service has entered into contract negotiations with a minority Small Business Administration contractor. Construction award is scheduled for July 1986.

The bathhouse replacement project has not yet been scheduled for project planning or tentative date of construction. A variety of park facilities may be relocated as part of this project. A Development Concept Plan is scheduled for completion during fiscal year 1986 and advance planning will be requested in fiscal year 1987. Project planning is not scheduled before fiscal year 1988.

Catoctin Mountain Park #152 - Correct Sewage Deficiencies, West Side

A consulting firm is currently completing a condition assessment of the various sewage systems. Based on recommendations from the consultant, advance planning may begin in late fiscal year 1987 or early 1988. The year of actual construction is not known.

Yosemite National Park #473 - Rehabilitate Park Electrical System

The fiscal year 1986 budget included $1,155,000 for advance and project planning for phase I and phase II of this project. The fiscal year 1987 budget includes $200,000 for drawings and specifications for phase III power distribution system work as well as a line item request for phase II construction. Phase III planning funds will be obligated in early fiscal year 1987, and phase III work should be ready for a construction request in fiscal year 1988.

Cape Hatteras National Seashore #175 - Cape Hatteras Lighthouse Protection

The Corps of Engineers estimate that final plans and specifications will be completed by August 1986 for the seawall/revetment. Construction is estimated to total $5.5 million. The Service has an existing balance available from fiscal year 1984 and fiscal year 1985 funding of $2,926,900. It is estimated that $1,500,000 will be necessary for interior structural stabilization. Therefore, a balance of $1,426,900 is available for revetment construction, and the additional amount needed for construction is $4,073,100. Construction funds could be obligated in fiscal year 1987.

Sitka National Historical Park #115 - Restoration, Russian Bishop's House

Final phase, doors, hardware, mechanical, electrical, wallpapering, furnishings and ground development; $84,000 project planning in fiscal year 1986; completion, August 1986. Construction funds could be obligated in fiscal year 1987 ($1,250,000).

Canaveral National Seashore #107 - Comfort Station and Utilities, Apollo Beach

In fiscal year 1986, $74,000 has been allocated for project planning which will be completed by the end of fiscal year 1986. Construction funds could be obligated by mid-fiscal year 1987 ($1,310,000).

Klondike Gold Rush National Historical Park #114 - Restoration and Adaptive Use of Historic Buildings, Skagway

For phase III, $70,000 project planning is underway; completion scheduled for August 1986. Funding for the next phase of restoration could be obligated in fiscal year 1987 ($900,000)

Harpers Ferry National Historical Park #114 - Provide Safe Visitor Access and Contact Facility

The first phase of this project, construction of the new access road from Cavalier Heights to Lower Town, is scheduled to begin this spring, under the Federal Lands Highways Program. Phase II, construction of the parking facility at Cavalier Heights, is programmed in our fiscal year 1987 Federal Lands Highways Program. The National Park Service is currently designing the visitor contact facility, and project planning ($80,000) is currently underway. Actual construction funds (estimated at $800,000) could be obligated in fiscal year 1987.

George Washington Memorial Parkway #474 - Rehabilitate Facilities, Concession Support, Daingerfield Island

Phase I of this project was accomplished in our fiscal year 1984 Federal Lands Highways Program. The fiscal year 1987 budget request includes $60,000 to begin the design for phase II development of Daingerfield Island, including construction of a new bulkhead, bike trail, comfort station, picnic areas, and relocation of dry boat slips and the boat repair yard.

National Capital Parks-East #316 - Rehabilitate National Park Service-owned Marinas

The preliminary design for this project has been completed and is under review. The fiscal year 1986 budget included $75,000 for comprehensive design. The fiscal year 1987 budget includes $80,000 to complete drawings and specifications. Construction funds could be obligated in fiscal year 1988.

Wolf Trap Farm Park #130 - Provide Sanitary Facility for Visitor Health

The fiscal year 1987 budget request includes $10,000 to begin preliminary planning for construction of expanded restroom facilities. Construction funding could not be requested before fiscal year 1988.

National Capital Parks-Central #409 - Finish Sculpture Garden, National Mall

Congress appropriated a total of $1.3 million during the period fiscal years 1970-1974 for construction of the basement of a planned restaurant, the ice rink, a reflecting pool, and associated walks. The concessioner is proceeding with design and requisite approvals for the visitor services facility, containing fast food service, skate rental, retail services and public restrooms, on the existing concrete slab. The National Park Service's portion of the development is construction of the garden, which will consist of four sculpture rooms defined by plant material. The fiscal year 1987 budget request includes $91,000 to begin construction drawings. Actual construction could be obligated any time after fiscal year 1987 that funds are appropriated.

Johnstown Flood National Monument #148 - Construct Visitor Facility, Roads, Parking, Utilities and Exhibits

In fiscal year 1986, $429,000 for planning was made available. Project planning will be completed by May 1987.

Mammoth Cave National Park #161 - Regional Wastewater Treatment Facilities

Fiscal year 1986 appropriations included $2 million for the National Park Service "...to assist local communities to protect Mammoth Cave National Park from groundwater pollution: Provided, That the National Park Service share of the Mammoth Cave protection project shall not exceed 25 per centum..."

An agreement is being prepared in the Regional Office for the transfer of these funds to Caveland Sanitation Authority, the interlocal governmental agency authorized to implement and operate the Regional system. The National Park Service will retain the right to review plans and specifications and engineers' estimates as well as construction and progress to verify that materials and construction methods conform to plans and specifications. Obligation of funds is expected by April 1986.

William Howard Taft National Historic Site #101 - Complete Interior Restoration, Taft Home

Funding of $809,000 provided by the Congress in fiscal year 1986 will be used to historically restore four rooms, adaptively restore one room, and provide mechanical, electrical and fire alarm systems. Planning for this work will be completed in September. The remaining work in this package includes converting the basement into a temporary visitor/exhibit center, installing restrooms, finishing restoration of the other three rooms on the first floor, and installing an elevator. If $70,000 becomes available for this planning, design could be completed by February 1987 and construction ($645,000) could be obligated early summer 1987.

Voyageurs National Park #154 - Rehabilitate Hotel, Construct Replacement Lodging and Utilities, Kettle Falls

Phase I of this project has been funded in fiscal year 1986 and includes rehabilitation of the hotel and the electrical service and sewer system. All work will be under award by September 1986. For fiscal year 1986, $178,000 has been provided to begin planning for the construction of satellite guest housing units to accommodate 40 guests, installation of utility systems for these units and construction of concessioner employee housing. Construction (estimated $2,875,000) could be obligated as soon as funds are appropriated.

Blue Ridge Parkway #132 - Tunnel Linings and Drainage

This is a phased project to provide tunnel linings for 8 unlined tunnels and to perform repairs in 22 lined tunnels. Phase II, programmed in the fiscal year 1987 Federal Lands Highways Program (if authorized), will include upgrading the drainage and rehabilitation of 7 tunnel liners in North Carolina. Planning by the Federal Highway Administration is underway. A construction contract is tentatively scheduled for obligation late in fiscal year 1987. Phase III is currently programmed for fiscal year 1989 assuming the availability of funding at the same level as in previous years.

Blue Ridge Parkway #504 - Dam Repairs, Price Lake, Trout Lake, Bass Lake and Peaks of Otter Dam

The Bureau of Reclamation has provided the following information: Dam repairs at Trout Lake have been cancelled since a decision was made to eliminate the lake. Planning at Bass Lake is 30 percent complete and plans could be completed by mid-fiscal year 1986 for construction award late fiscal year 1987. Planning for Price Lake is nearly complete and will be ready for advertisement by September 1987. Planning has not started for Peaks of Otter Dam. Construction estimates: Bass Lake, $1,650,000; Price Lake, $1,700,000; and Peaks of Otter Dam, $1,120,000.

## Cumberland Gap Tunnel

48. Question: The Cumberland Gap memo of understanding between the Secretary and the States of Kentucky and Tennessee provides that emergency equipment including but not limited to fire trucks, ambulances, wreckers and other pertinent emergency equipment shall be provided as a cost of the tunnel construction. How much will that cost the Secretary? Is it budgeted?

Answer: The following equipment will have to be budgeted once the tunnel contract portion of this project has begun:

| Equipment | Estimated Cost<br>($ in thousands) |
|---|---|
| 2 Vehicles for Crew Transportation | $20 |
| 1 Wash Truck to Wash Oil and Grime from the Walls of the Tunnel | 150 |
| 1 Wrecker | 150 |
| 1 Fire Truck | 200 |
| 1 Maintenance Truck with a Device for Lifting to Replace Lights, Filters, Etc. | 50 |
| Total | 570 |

As you know, inasmuch as the current contract authority for continued Cumberland Gap Tunnel construction expires at the end of fiscal year 1986, the future source of funding for tunnel construction is not known. The Service presumes that the cost for this equipment would be budgeted under the same funding source as the actual tunnel construction.

## Fort Sumter Tour Boat Facility

49a. Question: Regarding Fort Sumter, the new project is estimated to need land acquisition funding as well as construction funding. Will the land acquisition money be budgeted?

Answer: The total amount needed for land acquisition is not known. There is currently $368,000 appropriated for land acquisition, specifically for the Fleet Landing site. Any funding for land acquisition, if necessary, is dependent on site selection for the boat facility.

49b. Question: Please provide, at the earliest time, a map of the original project, with description, and a map of the current concept, with description.

Answer: Descriptions of the three primary sites under consideration follow. Maps will be provided to the Committee.

Broad Street Site:

This 2.59-acre site is located on the Ashley River at the western end of Broad Street. The tract is bounded by a United States Coast Guard Station, a United States Army Reserve facility, and by Broad Street. The site is undeveloped and consists mainly of mud and tidal marsh. The National Park Service presently owns the tract.

Fleet Landing Site:

This 0.89-acre site is located on the Cooper River at the foot of Cumberland Street. The tract is bounded by the State Ports Authority Cruise Ship Terminal, city-owned property, and an office building and planned parking garage. The tract is owned by the Ports Authority and is developed with a parking area and building.

Dockside II Site:

Dockside II is a 8.91-acre (including 4.10 acres submerged) tract located on the Cooper River at the foot of Calhoun Street. Adjacent properties are Dockside Condominiums, a boatyard and store, and a city playground. The site was recently acquired by the concessioner and is undeveloped.

49c. Question: Also, please include copies of Congressional/NPS correspondence and chronology of the past 8 years, showing what major events have held the project up.

Answer: Copies of correspondence that reflect significant events during consideration of a tour boat facility will be provided to the Committee. A chronology of major events follows:

| | |
|---|---|
| November 1976 | National Park Service proposal and environmental assessment of Broad Street site out for public review. |
| February 1977 | National Park Service announces decision to develop Broad Street site. |
| October 1977 | Fiscal year 1978 Appropriations Act provided $5,581,000 for construction at Broad Street site. |
| February 1978 | Tourism study released which recommended that the National Park Service facility be built on the Cooper River. The city and Senator Hollings agreed. |
| September 1978 | Conference Committee Report on appropriations for fiscal year 1979 called on the National Park Service to postpone final determination on a site until the Appropriations Committees have reviewed alternative sites. |
| October 1978 | The National Park Service Director visits sites and agrees to consider Fleet Landing on the Cooper River. Concessioner indicates concerns. |
| December 1979 | Agreement between the National Park Service, city, and State Ports Authority to sell Fleet Landing site to the National Park Service. |

| | |
|---|---|
| March 1980 | Public Law 96-199 authorized National Park Service acquisition of the Fleet Landing site. |
| October 1980 | Congress advised of National Park Service intention to reprogram construction funds to Fleet Landing. |
| February 1981 | Concessioner objects to Fleet Landing site. |
| March 1981 | Representative Hartnett requests the National Park Service to conduct a comparative study. |
| March 1981 | City informs the National Park Service it is opposed to Broad Street site. |
| March 1981 | National Park Service comparative cost analysis completed: cost of scaled-down Broad Street site would approximate cost of Fleet Landing site; discusses dredging and other problems. |
| May 1981 | The National Park Service advises city and others of temporary withdrawal of construction funds from Fleet Landing site pending resolution of site selection. |
| December 1981 | $368,000 appropriated for land acquisition at Fleet Landing site. |
| January-February 1982 | The National Park Service halts land acquisition negotiation and planning at Fleet Landing due to vigorous concern by concessioner over parking, vehicle access, and dredging. Also, local concern expressed over city's proposed aquarium at this site. |
| January 1983 | Conceptual agreement between city, concessioner, and the National Park Service on 2-site plan (Fleet Landing and Patriots Point) proposed by the National Park Service. |

| | |
|---|---|
| May 1983 | Representative Hartnett and Senator Thurmond request National Park Service consideration of the Cruise Ship Terminal site. |
| June 1983 | City reaffirms position favoring Fleet Landing. |
| July 1983 | City changes position and announces Cruise Ship Terminal as preferred site as part of overall waterfront redevelopment plan. |
| August 1983 | Agreement in principle by the National Park Service and concessioner on Cruise Ship Terminal site. |
| 1984 | City and State Ports Authority (property owner) cannot agree on development plan for cruise ship terminal. |
| May 1985 | Concessioner requests consideration of new site, known as Dockside II. |
| July 1985 | City agrees on Dockside II location and requests National Park Service consideration. |
| September 1985 | National Park Service report completed containing recommendations on necessary steps to proceed with acquisition and development of Dockside II. |
| October 1985 to date | Negotiations between the National Park Service, city, and concessioner on cooperative agreement concerning acquisition an development of Dockside II. |

49d. Question: How long will it take for congressional reauthorization for a boundary adjustment?

Answer: If legislation is needed, it will take approximately 6 weeks for the legislative support materials to be prepared and be processed through the Department before the Congress can take action.

### Recreation Programs

50. Question: On p. 175, is the $284,000 budgeted distributed $240,000, $34,000, and $10,000?

Answer: The requested level for recreation programs for fiscal year 1987 of $284,000 would be distributed as follows:

| Program | Amount<br>($ in thousands) | FTE-T |
|---|---|---|
| Recreation Statistics and Information | $199 | 4 |
| Surplus Federal Real Property | 80 | 1 |
| Federal Recreation Fee Program | 5 | -- |
| Total, Fiscal Year 1987 | $284 | 5 |

State and Local River Assistance Program

51. Question: Please distribute the state and local river conservation assistance base funding and staffing by NPS region/state. Also distribute the reduction similarly.

Answer: Funding and staffing for the State and Local River Conservation Technical Assistance Program is distributed below by National Park Service Regional Office. A distribution by State is not possible as resource specialists work on a variety of assistance projects covering several States during the year. The Service does not record personnel time spent on assistance projects by State. The proposed reduction for fiscal year 1987 would reflect the same distribution as the current allocations for 1986. The FTE level shown below reflects the most current estimate of FTE use for fiscal year 1987.

| Region/Office | Amount<br>($ in thousands) | FTE-T |
|---|---|---|
| Rocky Mountain | $50 | 2 |
| North Atlantic | 35 | 1 |
| Mid-Atlantic | 426 | 22 |
| Southeast | 50 | 1 |
| Western | 25 | 1 |
| Pacific Northwest | 50 | 2 |
| Alaska | 15 | 1 |
| Washington Office | 461 | 10 |
| Total | 1,112 | 40 |

Emergency and Unscheduled Projects

52. Question: Your justification (p. 211) states that the 1987 estimate of $2.0 million for emergency and unscheduled projects is "based on prior fiscal years experience." Provide for the record that prior year experience justifying a reduction from $3 to $2 million for emergency projects.

Answer: Average annual obligations in prior years in this account have been in excess of $2.5 million. It is undeniable that fewer emergency and unscheduled projects will be accomplished at the proposed $2 million level. However, $2 million would be sufficient to meet the most urgent emergency construction needs during fiscal year 1987.

## Impact of Reduction in Planning

53. Question: Please provide a complete briefing statement on the FTE impact of the reduction proposed in the planning activity.

Answer: The FTE impact of the proposed planning reductions is a complex equation. Fundamentally, the FTE impacts occur at the Denver Service Center, which is the Service's central planning, design, and construction organization. However, the foreseen reductions in the Denver Service Center total FTE's are only partially attributable to reductions in planning funding. There are two other major components to the equation; the size of the Line Item Construction Program and the size of the Federal Lands Highways Program.

The proposed fiscal year 1987 planning funding level represents a $7.9 million reduction over the fiscal year 1986 adjusted appropriation level. The proposed reductions to the Line Item Construction Program will result in a decrease of $7.7 million in construction supervision requirements and the reduction of the Federal Lands Highways Program funding level to $75 million will reduce Denver Service Center design and construction supervision funding by approximately $1.5 million. The sum total of these reductions to labor-intensive activities at the Denver Service Center is $17.1 million.

The FTE impact of these reductions must be spread over 3 fiscal years because some fiscal year 1986 planning funds will be carried over into fiscal year 1987 and because construction supervision activities are carried out at least 1 to 2 years after contract award. Additionally, translating the above dollar reductions into FTE impact requires some assumptions about the project mix and the amount of work to be contracted out versus in-house activities. Based on fiscal years 1985-1986 experience, the following is estimated:

| | Fiscal Year FTE Reductions Required | | | |
|---|---|---|---|---|
| | 1987 | 1988 | 1989 | Total |
| Advance Planning | -27.0 | -11.6 | | -38.6 |
| Project Planning | -56.0 | -24.5 | | -80.5 |
| Subtotal Planning Activity | -83.0 | -36.1 | | -119.1 |
| Construction Supervision | | -70.0 | -25.5 | -95.5 |
| DSC Portion of FLHP | -25.0 | | | -25.0 |
| Total Estimated FTE Impact | -108.0 | -106.1 | -25.5 | -239.6 |

If the reductions proposed for fiscal year 1987 occurred again in fiscal years 1988 and 1989, the total impact would be approximately -240 FTE's by the end of fiscal year 1989 or a 40 percent reduction from the fiscal year 1985 DSC level of 583. Approximately 119 would be from the planning activity and 121 from construction supervision and the Federal Lands Highways Program.

## Cape Hatteras National Seashore

54a. Question: Why is money budgeted for Hatteras revetment planning, when funds appropriated in prior years were for any aspect of activities needed to protect and rehab the lighthouse?

Answer: The Service's annual Budget Justifications always include an itemization of the proposed utilization of the Service's project planning funds. The planning itemization has always been labeled as a necessarily tentative program inasmuch as planning costs can only be generally estimated ahead of time. However, in the case of the Cape Hatteras revetment planning item shown, the tentative amount listed is definitely in error. The Service's Southeast Regional Office confirms that sufficient prior year funding is available to complete all project planning needed for revetment construction.

In regard to the status of project accomplishment and the obligation of prior year appropriations, there are several regulations which preclude taking any action on soliciting bids for the revetment contract before funds are appropriated:

The construction of the seawall/revetment at the Cape Hatteras lighthouse cannot proceed until the entire $5.5 million is available for the following reasons:

1. Reprogramming guidelines apply since the total amount required is more than 25 perent over the available amount of $3,430,000.

2. Federal Acquisition Regulation 32.702 states "No officer or employee of the Government may create or authorize an obligation in excess of the funds available or in advance of appropriations (Anti-Deficiency Act, 31 U.S.C. 665), unless otherwise authorized by law."

3. The Corps of Engineers is bound by the South Atlantic Division of Corps of Engineers Supplement 1 to Engineering Regulation 1140-2-302, "Performance of Work for Other Federal Agencies," dated January 11, 1978, which states "...Division Engineers may authorize performance of work on a reimbursable basis, provided that sufficient funds for the entire project are available from current year funds of the requesting agency." This same statement is included in their "Digest of Water Resources Policies and Authorities," Engineering Pamphlet 1165-2-1, dated June 30, 1983.

The Corps of Engineers anticipates final plans and specifications by August 1, 1986. Once funds become available for the entire project, bidding documents would be issued with award to follow within 60 days and notice to proceed issued 30 days later. It is anticipated that construction will require 20 months.

## Project Planning Program

54b. Question: Please provide a comparison of the project planning listings submitted as part of the Service's fiscal years 1983, 1984, and 1985 Budget Justifications to the project planning funding that each project actually received during that fiscal year. Explain any discrepancies.

Answer: The requested comparisons of the originally proposed project planning itemization included in the Service's fiscal years 1983, 1984, and 1985 Budget Justifications to the actual amount eventually budgeted for each of the projects during the particular fiscal year are listed below:

Summary

Actual Fiscal Year 1983 Project Planning Program

| | | Amount ($000's) |
|---|---|---|
| I. | Program for Projects Identified in Budget Request | $4,785 |
| II. | Program for Continuing Projects not in Budget Request | 2,621 |
| III. | Congressional Add-on Projects | 1,895 |
| IV. | Amounts Allotted Later in Fiscal Year to Cover Program Change Innovation Proposals Occurring During Course of the Year | 808 |
| | Total Fiscal 1983 Appropriation | 10,109 |

Comparison: Tentative Project Planning Program Appearing in
Fiscal Year 1983 Budget Justifications vs. Actual Budgeted Amount

| Park | Package Number | Title | Budget Request | Program | Remarks |
|---|---|---|---|---|---|
| Acadia National Park | 152 | Build Restrooms/Picnic Area at Fabbri Memorial | $8,000 | $64,000 | |
| Acadia National Park | 274 | Build Sewage Disposal Package at J.P. House | 25,000 | 25,000 | |
| Arches National Park | 109 | Rehabilitate Headquarters and Devils Garden Water Systems | 10,000 | 0 | Project deferred |
| Baltimore-Washington Parkway | 100 | Repair 2 Dangerous Bridges (Route 32 and and U.S. 50) | 125,000 | 5,000 | Federal Lands Highways Program funding |
| Big Bend National Park | 232 | Improve Water System at Historic District and Campground | 32,000 | 30,000 | |
| Blue Ridge Parkway | 373 | Repair 3 Bridges, 108P, 115P, 159P | 115,000 | 0 | Funded by the Federal Lands Highways Program |
| Buffalo National River | 186 | Upgrade Six Flood Alarm Gauging Stations | 22,000 | 24,000 | |
| Chesapeake and Ohio Canal National Historical Park | 176 | Repair Extremely Dangerous Harpers Ferry Road/Wall | 34,000 | 0 | Funded from the Federal Lands Highways Program |
| Canaveral National Seashore | 107 | Construct/Reconstruct Apollo Beach Access with Parking and Comfort Station | 89,000 | 205,000 | |
| Cape Cod National Seashore | 138 | Develop Nauset Light/Coast Guard Beaches | 46,000 | 101,000 | |

| Park | Package Number | Title | Budget Request | Program | Remarks |
|---|---|---|---|---|---|
| Catoctin Mountain Park | 109 | Replace Unsafe Potable Water System | $210,000 | $75,000 | |
| Catoctin Mountain Park | 152 | Correct Severe Sewage Deficiencies. West Side | 295,000 | 0 | Project deferred |
| Chaco Culture National Historical Park | 139 | Reconstruct Tour Road and Circulation Road | 10,000 | 0 | Funded from the Federal Lands Highways Program |
| Colonial National Historical Park | 290 | Relocate Cheatham Annex Intersect North Access | 51,000 | 16,000 | Funded from the Federal Lands Highways Program |
| Delaware Water Gap National Recreation Area | 111 | Rehabilitate 4 Historic Buildings, 1.9-Mile Trails and Parking, Slateford | 20,000 | 44,000 | |
| Denali National Park and Preserve | 141 | Reconstruct and Expand Headquarters Water System | 240,000 | 104,000 | |
| Denali National Park and Preserve | 217 | Rehabilitate Steam Plant and Convert to Coal | 484,000 | 190,000 | |
| Dinosaur National Monument | 141 | Upgrade Campground Water System | 17,000 | 49,000 | |
| Eleanor Roosevelt National Historic Site | 104 | Rehabilitate 5 Historic Buildings | 327,000 | 377,000 | |
| Fort Necessity National Battlefield | 146 | Improve Water Quality and Extend System | 15,000 | 37,000 | |

| Park | Package Number | Title | Budget Request | Program | Remarks |
|---|---|---|---|---|---|
| Fort Smith National Historic Site | 113 | Provide Safe Pedestrian Crossing at Railroad Tracks | $70,000 | $14,000 | |
| Fredericksburg and Spotslyvania County Battlefields Memorial National Military Park | 161 | Improve Fire Protection and Water System | 23,000 | 38,000 | |
| Glacier National Park | 243 | Replace Comfort Station and Sewage Disposal System | 34,000 | 59,000 | |
| Glacier National Park | 249 | Reconstruct 2 Chalets' Water and Sewer Systems | 30,000 | 44,000 | |
| Grand Teton National Park | 104 | Improve Concession Day-Use Facilities | 10,000 | 0 | Project completed with prior year funds |
| Gulf Islands National Seashore | 105 | Replace Comfort Station and Day-Use Facility | 155,000 | 152,000 | |
| Harpers Ferry National Historical Park | 131 | Rehabilitate Potable Water System/Comply Health Code | 270,000 | 0 | Project deferred |
| Klondike Gold Rush National Historical Park | 114 | Restoration of Depot Includes Adaptive Use | 159,000 | 204,000 | |
| Klondike Gold Rush National Historical Park | 129 | Restore and Furnish Itjen House | 10,000 | 0 | Project deferred |
| Lake Mead National Recreation Area | 327 | Raise Causeway to Protect Development | 40,000 | 15,000 | |
| Lassen Volcanic National Park | 263 | Correct Retaining Wall and Coulvert Failures | 35,000 | 15,000 | |

| Park | Package Number | Title | Budget Request | Program | Remarks |
|---|---|---|---|---|---|
| Lincoln Home National Historic Site | 196 | Restore Lincoln Home, Install Atmospheric Controls | $3,000 | $131,000 | |
| Mesa Verde National Park | 101 | Build New 5.3-Mile Entrance Road to Bypass Slide | 15,000 | 0 | Project funded from the Federal Lands Highways Program |
| Mesa Verde National Park | 117 | Construct 11 Ruins Shelters, Provide Exhibits | 56,000 | 58,000 | |
| Mesa Verde National Park | 223 | Construct Complete Water Treatment Plant | 131,000 | 0 | Project deferred |
| Mount Rainier National Park | 327 | Construct Dedicated Firewater Main/ Sprinklers | 30,000 | 66,000 | |
| Mount Rainier National Park | 323 | Install Sprinkler System | 55,000 | 33,000 | |
| Mount Rainier National Park | 278 | Upgrade Water and Electric Systems | 36,000 | 12,000 | |
| Natchez Trace Parkway | 236 | Repair 3 Bridges | 800,000 | 0 | Project funded in fiscal year 1983 with Federal Lands Highways funds |
| National Capital Parks-Central | 428 | Install Sewage Station, Unsanitary Conditions | 60,000 | 54,000 | |
| National Capital Parks-Central | 429 | Replace Unsanitary Comfort Facilities, Health Code | 90,000 | 44,000 | |
| North Cascades National Park | 298 | Rehabilitate and Upgrade Campground Water System | 23,000 | 40,000 | |
| North Cascades National Park | 269 | Improve Resort Water and Sewer Systems | 31,000 | 71,000 | |

| Park | Package Number | Title | Budget Request | Program | Remarks |
|---|---|---|---|---|---|
| Olympic National Park | 261 | Highway Construction | $30,000 | $0 | Project funded with Federal Lands Highways funds |
| Rocky Mountain National Park | 232 | Rehabilitate 3 Water Systems | 200,000 | 20,000 | |
| Rocky Mountain National Park | 237 | Rehabilitate 7 Water Systems | 115,000 | 30,000 | |
| Sequoia National Park | 114 | Sewage Treatment and Water Storage Facilities | 800,000 | 0 | Project deferred |
| Shenandoah National Park | 102 | Construct Comfort Station, Utilities, Grounds Walks | 16,000 | 30,000 | |
| Shenandoah National Park | 125 | Reconstruct Skyline Drive Portion, 35 Miles | 205,000 | 37,000 | Project funded with Federal Lands Highways funds |
| Sitka National Historical Park | 115 | Historic Building Restoration, Russian Mission | 18,000 | 15,000 | |
| Sitka National Historical Park | 121 | Study River/Beach Bank Erosion and Control | 59,000 | 22,000 | |
| Springfield Armory National | 103 | Rehabilitate Historic Structures | 795,000 | 0 | Project deferred |
| Theodore Roosevelt National Park | 148 | Rebuild Entrance Road 6 Miles | 8,000 | 8,000 | |
| Theodore Roosevelt National Park | 183 | Improve Existing Water Systems (6 Areas) | 24,000 | 40,000 | |

| Park | Package Number | Title | Budget Request | Program | Remarks |
|---|---|---|---|---|---|
| Theodore Roosevelt National Park | 121 | Reconstruct 2 Bridges on Loop Road | $6,000 | $0 | Project funded from the Federal Lands Highways Program |
| Voyageurs National Park | 158 | Construct Visitor Center/Ranger Station with Utilities, Roads, Docks | 43,000 | 0 | Project deferred funds |
| Yellowstone National Park | 177 | Correct Infiltration, Lake Canyon Sewer System (Wyoming) | 250,000 | 0 | Project completed |
| Yellowstone National Park | 620 | Rehabilitate Purchased Concessioner Facilities (Portion) | 822,000 | 1,607,000 | |
| Yosemite National Park | 473 | Reconstruct Failing Electrical System | 100,000 | 490,000 | |
| Yosemite National Park | 262 | Reconstruct Water System | 50,000 | 0 | Project deferred |
| Zion National Park | 187 | Repair Mount Carmel Tunnel | 16,000 | 0 | Project funded from Federal Lands Highways Program |
| Zion National Park | 201 | Upgrade Zion Canyon Water and Sewer Systems | 286,000 | 90,000 | |
| | | Total | 8,184,000 | 4,785,000 | |

## Summary

## Actual Fiscal Year 1984 Project Planning Program

| | | Amount ($000's) |
|---|---|---|
| I. | Program for Projects Identified in Budget Request | $5,248 |
| II. | Program for Continuing Projects not in Budget Request | 2,703 |
| III. | Congressional Add-on Projets | 1,600 |
| IV. | Amounts Allotted Later in Fiscal Year to Cover Program Change Innovation Proposals Occurring During Course of the Year | 211 |
| | Total Fiscal 1984 Appropriation | 9,762 |

Comparison: Tentative Project Planning Program Appearing in
Fiscal Year 1984 Budget Justifications vs. Actual Budgeted Amount

| Park | Package Number | Title | Budget Request | Program | Remarks |
|---|---|---|---|---|---|
| Acadia National Park | 119 | Rehabilitate 5 Pre-World War II Comfort Stations | $23,000 | $15,000 | |
| Acadia National Park | 274 | Build Sewage Disposal, Parking, Landscaping at JP House | 50,000 | 25,000 | |
| Arches National Park | 109 | Rehabilitate Headquarters and Devils Garden Utility System | 9,000 | 1,000 | |
| Big Bend National Park | 232 | Reconstruct Water Systems | 30,000 | 30,000 | |
| Bryce Canyon National Park | 146 | Replace Concession Roads, Parking and Utilities | 54,000 | 83,000 | |
| Cape Cod National Seashore | 138 | Replace Nauset/Coast Guard Beach Facilities | 147,000 | 56,000 | |
| Cape Hatteras National Seashore | 175 | Emergency Protection, Cape Hatteras Lighthouse | 193,000 | 0 | Project completed with carryover prior year funds |
| Catoctin Mountain Park | 152 | Correct Severe Sewage Deficiencies, West Side | 295,000 | 100,000 | |
| Delaware Water Gap National Recreation Area | 263 | Repair/Replace Unsafe Visitor Facility Utilities, Roads | 239,000 | 122,000 | |
| Delaware Water Gap National Recreation Area | 264 | Repair/Replace Unsafe Visitor Facility Utilities, Roads | 79,000 | 115,000 | |

| Park | Package Number | Title | Budget Request | Program | Remarks |
|---|---|---|---|---|---|
| Denali National Park and Preserve | 200 | Water and Sewer Systems, Wonder Lake | $60,000 | $42,000 | |
| Denali National Park and Preserve | 201 | Develop Water and Sewer Systems | 30,000 | 51,000 | |
| Denali National Park and Preserve | 202 | Upgrade Water and Sewer Systems | 30,000 | 31,000 | |
| Eugene O'Neill National Historic Site | 101 | Connect Water and Sewer with Public Utility District | 57,000 | 0 | Project deferred to future year |
| Fort McHenry National Monument and Historic Shrine | 149 | Rehabilitate 4,000 Feet of Historic Seawall | 90,000 | 0 | Project deferred to future year |
| Glacier Bay National Park and Preserve | 152 | Modifications to Lodge | 30,000 | 0 | Project completed with prior year funds |
| Glacier National Park | 243 | Replace Comfort Station and Sewage Disposal System | 6,000 | 56,000 | |
| Glacier National Park | 249 | Reconstruct 2 Chalets' Water and Sewer Systems | 4,000 | 2,000 | |
| Glacier National Park | 256 | Improve 10 Water Systems to Public Law 93-523 Standards | 8,000 | 2,000 | |
| Glen Canyon National Recreation Area | 288 | Rehabilitate Water System to Meet Standards | 8,000 | 0 | Project completed |
| Grand Canyon National Park | 360 | Replace Water Distribution System Village Area | 690,000 | 212,000 | |

| Park | Package Number | Title | Budget Request | Program | Remarks |
|---|---|---|---|---|---|
| Grand Canyon National Park | 174 | Construct 8-Inch Waterline from Indian Gardens | $200,000 | $255,000 | |
| Grand Canyon National Park | 352 | Replace Existing Power Distribution System | 25,000 | 0 | Project deferred to future year |
| Grand Teton National Park | 332 | Reconstruct Triangle X Water and Sewer Systems | 66,000 | 45,000 | |
| Harpers Ferry National Historical Park | 131 | Rehabilitate Potable Water System/Comply Health Code | 270,000 | 0 | Project deferred |
| Klondike Gold Rush National Historical Park | 132 | Water System, Sheep Camp and Dyea | 30,000 | 30,000 | |
| Lowell National Historical Park | 117 | Stabilize/Rehabilitate Boott Mill Complex | 118,000 | 400,000 | |
| Mesa Verde National Park | 223 | Construct Complete Water Treatment Plant | 131,000 | 55,000 | |
| Mount Rainier National Park | 315 | Rehabilitate Sunrise Lodge | 75,000 | 25,000 | |
| National Capital Parks-East | 316 | Rehabilitate/Replace Defective Utilities at 2 Marinas | 225,000 | 0 | Project deferred to future year |
| North Cascades National Park | 297 | Develop Ground Water Source | 23,000 | 45,000 | |
| North Cascades National Park | 296 | Ground Water Investigation Treatment of Water System | 25,000 | 45,000 | |
| Olympic National Park | 268 | Rehabilitate Lake Crescent Lodge | 59,000 | 0 | Project deferred to future year |

| Park | Package Number | Title | Budget Request | Program | Remarks |
|---|---|---|---|---|---|
| Ozark National Scenic River | 103 | Construct Utilities and Sewage Treatment Facility | $233,000 | $0 | Project deferred to future year |
| Petrified Forest National Park | 111 | Construct Water Treatment Facility | 160,000 | 0 | Project deferred to future year |
| Point Reyes National Seashore | 818 | Construct Visitor Center | 24,000 | 0 | Completed with prior year funds |
| Sequoia National Park | 200 | Water Sewer Road System | 300,000 | 483,000 | |
| Sequoia National Park | 114 | Sewage Treatment and Water Storage Facilities | 800,000 | 525,000 | |
| Springfield Armory National Historic Site | 103 | Rehabilitate Historic Structures | 261,000 | 333,000 | |
| Yellowstone National Park | 620 | Rehabilitate Purchased Concessioner Facilities (Portion) | 822,000 | 364,000 | |
| Yosemite National Park | 473 | Reconstruct Failing Electrical System | 400,000 | 585,000 | |
| Yosemite National Park | 262 | Reconstruct Water System, Wawona | 200,000 | 446,000 | |
| Yosemite National Park | 451 | Sewage Collection Treatment and Disposal | 250,000 | 478,000 | |
| Yosemite National Park | 249 | Rehabilitate Water System/Sewer System | 1,320,000 | 186,000 | |
| Zion National Park | 201 | Upgrade Zion Canyon Concession Utility Systems | 13,000 | 5,000 | |
| | | Grand Total | 8,162,000 | 5,248,000 | |

## Summary

## Actual Fiscal 1985 Project Planning Program

| | | Amount ($000's) |
|---|---|---|
| I. | Program for Projects Identified in Budget Request | $4,997 |
| II. | Program for Continuing Projects not in Budget Request | 3,649 |
| III. | Congressional Add-on Projects: | 1,288 |
| | Total Fiscal 1985 Appropriation | 9,934 |

Comparison: Tentative Project Planning Program Appearing in Fiscal Year 1985 Budget Justifications vs. Actual Budgeted Amount

| Park | Package Number | Title | Budget Request | Program | Remarks |
|---|---|---|---|---|---|
| Acadia National Park | 119 | Rehabilitate Five Pre-World War II Comfort Stations | $15,000 | $68,000 | |
| Alleghony Portage Railroad National Historic Site | 104 | Stabilize/Rehabilitate Foundation, 4 Historic Buildings and 13 Historic Structures | 14,000 | 0 | Project deferred |
| Bandelier National Monument | 214 | Rehabilitate Corral and Relocate Maintenance/Storage Facilities | 335,000 | 0 | Project deferred |
| Biscayne National Park | 104 | Replace Deteriorated Visitor and Support Facility | 112,000 | 0 | Project deferred |
| Boston African American National Historic Site | 102 | Rehabilitate African Meeting House | 51,000 | 5,000 | |
| Canaveral National Seashore | 109 | Construct Visitor Contact, Maintenance Facility, Parking and Roads | 147,000 | 0 | Project deferred |
| Chickasaw National Recreation Area | 197 | Replace Sewer System | 150,000 | 113,000 | |
| Crater Lake National Park | 237 | Construct Roads, Utility, Mazama Campground | 90,000 | 0 | Project deferred |
| Death Valley National Monument | 278 | Repair Wildrose and Thorn-Dike Water System | 40,000 | 0 | Project dropped |
| Delaware Water Gap National Recreation Area | 111 | Rehabilitate 4 Historic Buildings, 1.9 Miles of Trails, Parking, Slateford | 115,000 | 48,000 | |

| Park | Package Number | Title | Budget Request | Program | Remarks |
|---|---|---|---|---|---|
| Delaware Water Gap National Recreation Area | 263 | Repair/Replace Unsafe Visitor Facility Utilities, Roads | $10,000 | $218,000 | |
| Denali National Park and Preserve | 221 | Construct Information Center, Riley Creek | 92,000 | 175,000 | |
| Denali National Park and Preserve | 138 | Construct Fire Protection Water System, Toklat Road Camp | 25,000 | 0 | Project dropped |
| Eleanor Roosevelt National Historic Site | 104 | Rehabilitate Historic Buildings and Grounds | 19,000 | 70,000 | |
| Eugene O'Neill National Historic Site | 101 | Connect Water and Sewer with Public Utility District | 37,000 | 52,000 | |
| Fire Island National Seashore | 174 | Reconstruct Access Roads and Parkway | 10,000 | 0 | Project completed |
| Fort McHenry National Monument and Historic Shrine | 149 | Rehabilitate 4,000 Feet of Historic Seawall | 90,000 | 47,000 | |
| Gateway National Recreation Area | 109 | Resurface Roads and Parking, Rehabilitate Buildings and Grounds | 302,000 | 13,000 | |
| George Washington Memorial Parkway | 474 | Rehabilitate Facilities-Concessioner Support, Daingerfield | 125,000 | 0 | Project deferred |
| George Washington Memorial Parkway | 183 | Remove/Rehabilitate Unsafe Buildings at Glen Echo, Safety | 270,000 | 1,000 | |
| George Washington Memorial Parkway | 300 | Repair Structural Damage, Potomack Canal (3 and 4) | 42,000 | 55,000 | |
| Glacier Bay National Park | 152 | Modifications to Lodge | 30,000 | 0 | Project deferred |

| Park | Package Number | Title | Budget Request | Program | Remarks |
|---|---|---|---|---|---|
| Grand Canyon National Park | 360 | Replace Water Distribution System Village Area | $1,000 | $407,000 | Additional construction required for fiscal year 1986 |
| Grand Canyon National Park | 174 | Construct 8-Inch Waterline from Indian Gardens | 200,000 | 334,000 | |
| Grand Canyon National Park | 352 | Replace Existing Power Distribution System | 25,000 | 255,000 | |
| Grand Teton National Park | 332 | Reconstruct Triangle X Water and Sewer Systems | 29,000 | 42,000 | |
| Gulf Islands National Seashore | 105 | Replace Comfort Station and Day Use Facility | 75,000 | 0 | Project deferred |
| Harpers Ferry National Historical Park | 131 | Rehabilitate Potable Water System/Comply Health Code | 437,000 | 65,000 | |
| Katmai National Park and Preserve | 140 | Develop Concept Plan, Headquarters Expansion | 100,000 | 0 | Project deferred |
| Lowell National Historical Park | 117 | Stabilize/Rehabilitate Boott Mill Complex | 566,000 | 686,000 | |
| Mesa Verde National Park | 223 | Construct Complete Water Treatment Plant | 8,000 | 0 | Project deferred |
| National Capital Parks-Central | 403 | Finish Sculpture Garden National Mall, Concessioner Support | 150,000 | 78,000 | |
| National Capital Parks-East | 106 | Rehabilitate Deteriorating Structures, Fort Washington | 53,000 | 0 | Preliminary design |

| Park | Package Number | Title | Budget Request | Program | Remarks |
|---|---|---|---|---|---|
| National Capital Parks-East | 316 | Rehabilitate NPS-owned Marinas Utilities at 2 Marinas | $400,000 | $0 | Project deferred |
| North Cascades National Park | 297 | Develop Ground Water Source | 23,000 | 0 | Project funded with prior year funds |
| Ozark National Scenic River | 103 | Construct Utilities and Sewage Treatment Facility | 185,000 | 0 | Project deferred |
| Petrified Forest National Park | 111 | Construct Water Treatment Facility | 160,000 | 0 | Project deferred |
| Redwood National Park | 149 | Correct Unsafe Camping (Fresh Water Lagoon) | 75,000 | 44,000 | |
| Rocky Mountain National Park | 291 | Replace Facilities Damaged in 1982 Lawn L. Flood | 6,000 | 10,000 | |
| Sequoia National Park | 200 | Water Sewer Road System | 300,000 | 274,000 | |
| Sleeping Bear Dunes National Lakeshore | 180 | Rehabilitate Utilities, Relocate Hazardous Road, Platte River | 371,000 | 101,000 | |
| Springfield Armory National Historic Site | 103 | Rehabilitate Historic Structures | 211,000 | 205,000 | |
| Statue of Liberty | 107 | Rehabilitate Seawall and Historic Structures | 156,000 | 20,000 | |
| Voyageurs National Park | 154 | Rehabilitate Hotel, Construct Lodging and Utilities | 400,000 | 298,000 | |

| Park | Package Number | Title | Budget Request | Program | Remarks |
|---|---|---|---|---|---|
| Wolf Trap Farm Park | 130 | Provide Sanitary Facility for Visitor Health | $29,000 | $3,000 | |
| Yellowstone National Park | 620 | Rehabilitate Purchased Concessioner Facilities (Portion) | 301,000 | 504,000 | |
| Yosemite National Park | 473 | Reconstruct Failing Electrical System | 400,000 | 366,000 | |
| Yosemite National Park | 262 | Reconstruct Water System, Wawona | 20,000 | 0 | Planning complete |
| Yosemite National Park | 243 | Rehabilitate Water System/Sewer System | 1,320,000 | 440,000 | |
| | | Total | 8,122,000 | 4,997,000 | |

The listings comparing the "planned" versus "actual" resource allocations have been annotated with remarks which are self-explanatory. Project planning projects which did receive funding, but at a different funding level from that shown in the Budget Justifications, have no explanatory remarks since they all share the same basic explanation. Changes in cost estimates reflect updated estimates which are inevitable given the fact that the estimates printed in the Budget Justifications were made a full 15 months before the actual start of the year.

There are several fundamental reasons for the relatively wide discrepancy between the tentative project planning estimate and the eventual actual funding distribution of new project planning funds:

A. There is an intrinsically high level of uncertainty regarding planning and design cost estimates inasmuch as this type of work is essentially a step-by-step research activity. For example, in one fiscal year, surveys may be accomplished for a proposed new sewer system, and the tentative cost estimate for project planning has been included in the Budget Justifications for the fiscal year which will begin 15 months later. However, after a certain amount of detailed planning has been accomplished, specific problems (such as low ground absorption, etc.) are discovered. Subsequently, the cost of design and eventual construction may double, triple or significantly decrease if the projects are either dropped or a radically different approach to the problem is undertaken. With well over 150 prior year and new start project planning projects underway at any given time, the "ripple-effect" of just a few significant project revisions in scope affects a large number of other projects.

B. In regard to the example of unforeseen project changes given above, a question could be raised as to why the site problems were not discovered earlier. The answer to this concern is that it is much more cost-effective to send out the design engineers, the scientists, and historians once a certain level of commitment to the project has been made, rather than examine a great many proposals in great depth in advance of any commitment to pursue the project. For example, it would be very wasteful to spend perhaps $50,000 to thoroughly specify the exact scope for each of 75 tentative new projects per year and then decide that the remaining funding will permit the actual design of only 20 or 30 of these projects. Moreover, since the project planning process is still essentially a process of discovery, there is little possibility that estimates made 15 months before the start of the actual fiscal year will be free of error.

C. The Project Planning Program is also subject to large shifts whenever the future year construction priorities change because of revisions by senior management, unexpected emergency project requirements, and unexpected increases or decreases in the future year target budgetary allowances. Additionally, the useful "shelf-life" for completed construction drawings and bidding documents is quite short.

Therefore, if the actual construction of a project has been deferred (for whatever reason) from fiscal year 1987 to fiscal year 1990, the Service will normally not complete the project planning 3 years ahead of the proposed construction request since the specifications would have to be revised after 3 years, and the available professional manpower would be better spent on projects that are very close to actual construction and on congressional construction add-ons.

### Fort McHenry National Monument and Historic Shrine

55a. Question: Haven't we funded Fort McHenry seawall planning and construction in recent years? Please provide for the record.

Answer: No, the Service has not funded Fort McHenry seawall construction in any previous fiscal year. There have been references in previous years' budgets to proposed project planning for the seawall. However, the project planning listing included in the Service's annual Budget Justifications has always stated that the projects and cost estimates shown are only tentative estimates subject to change.

55b. Question: Why fund planning and construction in the same year?

Answer: With respect to Fort McHenry seawall planning through fiscal year 1985, $86,264 has been obligated for preliminary design. In the current year, $120,000 has been programmed to complete the Historic Structures Report and begin final construction drawings and archeology. It is estimated that final preparation of construction drawings, specifications, and bidding documents will not be completed until early fiscal year 1987. The $30,000 estimate for Fort McHenry seawall project planning in fiscal 1987 reflects the likely fiscal year 1987 cost to complete all preconstruction planning and archeology.

The Service believes that the fiscal year 1987 construction cost estimate for the seawall is a good estimate and that the project can be under construction well before the end of the fiscal year.

### Project Planning Program

56. Question: Please categorize your project planning items as "Health and Safety;" "Rehab existing facilities;" and "New project planning." Why should we do any new when there is so much health and safety and rehab work to do?

Answer: An itemized listing of the tentative fiscal year 1987 Project Planning Program divided into five categories follows. The total planning expected to be dedicated to Health and Safety category is $1,635,000; for Resource Protection work, the total is $2,295,000; for Facility Repair and Rehabilitation, the total is $790,000; for Initial Visitor Facilities, the total is $141,000; and for Expanded Visitor Facilities, the total is $135,000.

With respect to project planning tentatively allocated to new facilities, the total allocation for that type of work is only $276,000 or 5 percent of the total project planning requested. This amount is not excessive when one considers the tremendous and ever-increasing demand for public recreation. Additionally, some new construction projects such as employee housing in Alaska, the Harpers Ferry visitor staging area, and the construction o the Clover Creek developed area in Sequoia represent new construction which serves resource protection objectives.

## Tentative Fiscal 1987 Project Planning Program
## Categorization by Primary Objective

**Primary Objective: Health and Safety**

| Park | Package Number | Title | Amount (000's) |
|---|---|---|---|
| Catoctin Mountain Park | 152 | Water and Sewer System, West Side | 150 |
| Eugene O'Neill National Historic Site | 101 | Connect Water and Sewer to Public Utilities | 20 |
| Gateway National Recreation Area | 169 | Rehabilitate Electrical Systems, Fort Tilden and Floyd Bennett Field | 195 |
| George Washington Memorial Parkway | 183 | Stabilize Historic Structure, Glen Echo | 80 |
| Grand Canyon National Park | 353 | Indian Gardens Sewage System | 180 |
| Mount Rainier National Park | 315 | Rehabilitate Sunrise Lodge | 110 |
| Fort Smith National Historical Park | 130 | Construct Pedestrian Overpass | 30 |
| Mount Rainier National Park | 370 | Rehabilitate Paradise Inn | 100 |
| Ozark National Scenic River | 103 | Construct Sewer System | 120 |
| Petrified Forest National Park | 111 | Reconstruct Water Treatment Plant | 160 |
| Redwoods National Park | 149 | Construct Unsafe Camping, Del Norte | 130 |
| Wolf Trap Farm Park | 130 | Construct Comfort Station | 10 |
| Yellowstone National Park | 620 | Rehabilitate Purchased Concessioner Facilities | 150 |
| Yosemite National Park | 473 | Rehabilitate Park Electrical System | 200 |
| | | Subtotal | 1,635 |

## Tentative Fiscal 1987 Project Planning Program
## Categorization by Primary Objective

| Park | Package Number | Title | Amount (000's) |
|---|---|---|---|
| **Primary Objective: Repair and Rehabilitation** | | | |
| George Washington Memorial Parkway | 474 | Rehabilitate Facilities to Support Concessioner Development | 60 |
| Bandelier National Monument | 214 | Relocate Maintenance Area | 40 |
| National Capital Parks-East | 316 | Rehabilitate NPS Marinas | 80 |
| Sleeping Bear Dunes National Lakeshore | 180 | Rehabilitate Utilities, Comfort Stations, and Campsites | 60 |
| Cape Lookout National Seashore | 125 | Replace 34 Guest Lodging Units | 110 |
| Delaware Water Gap National Recreation Area | 264 | Rehabilitate Visitor Facilities | 100 |
| Death Valley National Monument | 324 | Replacement Motel, Storage Building, and Trailer Court | 90 |
| Gateway National Recreation Area | 149 | Replace Great Kills Bathhouse | 100 |
| Gateway National Recreation Area | 109 | Rehabilitate Visitor Facilities, Roads and Parking | 150 |
| | | Subtotal | 790 |

## Tentative Fiscal 1987 Project Planning Program
## Categorization by Primary Objective

| Park | Package Number | Title | Amount (000's) |
|---|---|---|---|
| Primary Objective: Resource Protection | | | |
| Boston National Historical Park | 132 | Stabilize Old State House | 90 |
| Bryce Canyon National Park | 174 | Rehabilitate Bryce Canyon Lodge | 110 |
| Cape Cod National Seashore | 138 | Relocate 3 Historic Light Stations | 65 |
| Cape Hatteras National Seashore | 175 | Construct Lighthouse Revetment | 40 |
| Canaveral National Seashore | 107 | Construct Comfort Stations and Utilities, Apollo Beach | |
| Denali National Park and Preserve | 221 | Construct Visitor Access/Information Facility | 20 |
| Fort McHenry National Historical Park | 149 | Rehabilitate Historic Seawall | 25 |
| Gulf Islands National Seashore | 105 | Reconstruct Day Use Facilities | 30 |
| Crater Lake National Park | 220 | Construct Replacement Lodging Facility | 75 |
| Harpers Ferry National Historical Park | 114 | Construct Visitor Contact Station and Staging Area | 450 |
| Lake Clark National Park and Preserve | 100 | Construct Employee Housing | 30 |
| Sequoia National Park | 103 | Infrastructure for Concessioner Development | 60 |
| Sequoia National Park | 200 | Construct Clover Creek Developed Area | 90 |
| Springfield Armory National Historical Park | 103 | Rehabilitate Historic Structure | 300 |
| | | | 70 |
| Upper Delaware Scenic and Recreational River | 110 | Site Restoration, Roebling Acqueduct | 50 |

## Tentative Fiscal 1987 Project Planning Program
## Categorization by Primary Objective

| Park | Package Number | Title | Amount (000's) |
|---|---|---|---|
| Voyageurs National Park | 154 | Construct Replacement Lodging Units | 200 |
| Wrangell-St. Elias National Park | 113 | Construct Employee Housing, Chitina and Slana | 50 |
| Yosemite National Park | 504 | Implement Yosemite General Management Plan (Relocate Facilities) | 540 |
| | | Subtotal | 2,295 |
| Primary Objective: Initial Visitor Services | | | |
| Bryce Canyon National Park | 146 | Infrastructure for Concessioner Development | 50 |
| National Capital Parks-Central | 409 | Finish National Sculpture Gardens | 91 |
| | | Subtotal | 141 |

## Tentative Fiscal 1987 Project Planning Program
## Categorization by Primary Objective

| Park | Package Number | Title | Amount (000's) |
|---|---|---|---|
| Primary Objective: Expanded Visitor Services | | | |
| Big Bend National Park | 113 | Construct Visitor Contact Station | 40 |
| Glen Canyon National Recreation Area | 340 | Construct Concessions Support Facilities | 75 |
| North Cascades National Park | 147 | Construct Marina Facilities | 20 |
| | | Subtotal | 135 |
| | | Grand Total | 4,996 |

## Construction Projects

57. Question: Please categorize your construction projects into similar categories, and give us an indication of how much health and safety project funding is still to be done.

Answer: The following table reflects the proposed fiscal year 1987 Construction Program by primary objective. Also, a listing follows of the 84 Servicewide priority projects identified as having health and safety as their primary objective. This listing contains road and bridge projects as well as buildings and utilities projects.

There are a variety of reasons why the health and safety projects eligible for line item construction funding have not been requested this fiscal year. The major reason centers on the urgency of the proposed health and safety work. Although a utility system or a visitor service building may not meet all present-day codes for newly constructed facilities, there is no immediate risk to public health and safety. The Service has essentially eliminated all of the most urgent health and safety deficiencies which require a major construction solution. If any unforeseen life or health threatening situation were to become imminent, the Service would take immediate corrective action, including closing down the facility if necessary.

## 1987 LINE ITEM CONSTRUCTION PROGRAM BY OBJECTIVE

Primary Objective: Health and Safety
Repair and Rehabilitation
Resource Protection

| Park | Pkg. | Title | Gross Amount (000's) |
|---|---|---|---|
| **Health and Safety:** | | | |
| Chickasaw National Recreation Area | 197 | Rehabilitate Sewage System, Travertine District (Phase II) | 870 |
| Grand Canyon National Park | 360 | Reconstruct Water Distribution System, Village Area (Phase III) | 4,181 |
| Yellowstone National Park | 620 | Rehabilitate Purchased Concessions Facilities | 3,357 |
| Yosemite National Park | 473 | Rehabilitate Electrical System (Phase II) | 3,740 |
| **Repair and Rehabilitation:** | | | |
| Death Valley National Monument | 324 | Replace Motel Building, Concessioner Storage Building, and Employee Trailer Court | 900 |
| **Resource Protection:** | | | |
| Bryce Canyon National Park | 174 | Rehabiliate Bryce Canyon Lodge | 1,800 |
| Fort McHenry National Monument | 149 | Rehabilitate Historic Seawall | 860 |
| Yosemite National Park | 852 | Construct Employee Housing, El Portal | 3,610 |
| | | Total | 19,318 |

CONSTRUCTION PROJECT PRIORITIES
(OBJECTIVE BY SERVICEWIDE PRIORITY)

| PRIORITY | NAME OF PARK | CONSTRUCTION PACKAGE TITLE | $ COST ($000's) |
|---|---|---|---|
| ** PRIMARY OBJECTIVE OF PROJECT: HEALTH & SAFETY | | | |
| 001.0 | YELLOWSTONE NATIONAL PARK | (PKG NO.620) REHABILITATE PURCHASED CONCESSION FACILITIES | 10000 |
| 009.0 | SHENANDOAH NATIONAL PARK | (PKG NO.125) RECONSTRUCT SKYLINE DRIVE | 22000 |
| 041.0 | CATOCTIN MOUNTAIN PARK | (PKG NO.152) CORRECT SEWAGE DEFICIENCIES, WEST SIDE | 3500 |
| 043.0 | YOSEMITE NATIONAL PARK | (PKG NO.473) RECONSTRUCT FAILING ELECTRICAL SYSTEM | 10000 |
| 049.5 | HAMPTON NATIONAL HISTORICAL SITE | (PKG NO.102) REHAB EXTERIOR & DRAINAGE,HAMPTON MANSION | 509 |
| 070.5 | SEQUOIA NATIONAL PARK | (PKG NO.200) REPLACE GIANT FOREST VISITOR FACILITIES | 7500 |
| 090.0 | MESA VERDE NATIONAL PARK | (PKG NO.223) CONSTRUCT WATER TREATMENT PLANT | 6000 |
| 115.0 | OZARKS NAT SCENIC RIVER | (PKG NO.103) CONST UTILITIES & SEWAGE TREATMENT PLANT | 3000 |
| 117.0 | EUGENE O'NEILL NSH | (PKG NO.101) CONNECT WATER & SEWER W/PUBLIC UTILITY DISTRICT | 400 |
| 118.0 | WOLF TRAP FARM PARK | (PKG NO.130) PROVIDE SANITARY FACILITY FOR VISITOR HEALTH | 900 |
| 121.0 | PETRIFIED FOREST NP | (PKG NO.111) CONSTRUCT WATER TREATMENT FAC. & MAIN WATER LINE | 8000 |
| 121.5 | REDWOOD NATIONAL PARK | (PKG NO.149) CORRECT UNSAFE CAMPING, FRESH WATER LAGOON | 2000 |
| 124.0 | MOUNT RAINIER NATIONAL PARK | (PKG NO.315) REHABILITATE SUNRISE LODGE TO MEET PRESENT CODES | 2700 |
| 133.0 | NATIONAL CAPITAL PARKS-CENTRAL | (PKG NO.415) CORRECT DEFECTS, LINCOLN CIRCLE APPROACH BRIDGE | 4460 |
| 136.0 | GEORGE WASHINGTON MEMORIAL PKWY | (PKG NO.183) REHAB. UNSAFE BUILDINGS, GLEN ECHO PARK | 3425 |
| 151.0 | GRAND CANYON NATIONAL PARK | (PKG NO.353) TERTIARY SEWAGE TREATMENT AND COLLECTION SYSTEM | 2939 |
| 152.0 | MAMMOTH CAVE NATIONAL PARK | (PKG NO.161) CONSTRUCT WASTEWATER TREATMENT FACILITIES | 2589 |
| 155.0 | DENALI NATIONAL PARK & PRESERVE | (PKG NO.229) REPLACE TOKLAT BRIDGES 1 AND 2 | 8279 |
| 157.0 | GOLDEN GATE NRA | (PKG NO.143) CONSTRUCT NEW SEWGE SYSTEM-MARINE HEADLANDS | 2006 |
| 158.0 | VOYAGEURS NATIONAL PARK | (PKG NO.154) REHAB HIST. HOTEL, CONST LODGING AND UTILITIES. | 5367 |
| 160.0 | DENALI NATIONAL PARK | (PKG NO.221) CONSTRUCT VISITOR ACCESS CENTER | 3870 |
| 161.0 | BLUE RIDGE PARKWAY | (PKG NO.504) REHAB DAM REPAIRS, JULIAN PRICE, TROUT, & BASS | 3290 |

## CONSTRUCTION PROJECT PRIORITIES
(OBJECTIVE BY SERVICEWIDE PRIORITY)

| PRIORITY | NAME OF PARK | CONSTRUCTION PACKAGE TITLE | $ COST ($000's) |
|---|---|---|---|
| 166.0 | MOUNT RAINIER NATIONAL PARK | (PKG NO.344) REHAB NISQUALLY ENTRANCE PARDISE ROAD | 4411 |
| 168.0 | DENALI NATIONAL PARK & PRES | (PKG NO.257) REHAB MILE 0 TO SAVAGE PINE PRIDGE | 5059 |
| 169.0 | OLYMPIC NATIONAL PARK | (PKG NO.310) RECONSTRUCT SOL DUC VALLEY ROAD | 6643 |
| 176.0 | SEQUOIA NATIONAL PARK | (PKG NO.840) REHABILITATE PARK ROADS | 10000 |
| 178.0 | AMISTAD RECREATION AREA | (PKG NO.197) RECONSTRUCT BOAT LAUNCH RAMP | 1142 |
| 179.0 | GRAND CANYON NATIONAL PARK | (PKG NO.143) CONST 68 FAMILY RESIDENCES, CANYON VILLAGE | 2539 |
| 181.0 | CUYAHOGA VALLEY NAT REC AREA | (PKG NO.122) REHAB DETERIORATING WATER & SEWER SYSTEMS | 917 |
| 183.0 | ISLE ROYALE NATIONAL PARK | (PKG NO.250) REPLACE INADEQUATE SEWASE TREATMENT PLANT | 698 |
| 189.0 | MOUNT RAINIER NATIONAL PARK | (PKG NO.340) REHABILITATE PARADISE INN--WATER AND SEWER | 1300 |
| 197.0 | GATEWAY NAT RECREATION AREA | (PKG NO.169) REHABILITATE DETERIORATED UTILITY SYSTEM | 3899 |
| 198.0 | ST. CROIX NATIONAL SCENIC RIVER | (PKG NO.169) REPLACE FIVE UNSAFE WATER SYSTEMS IN PARK | 317 |
| 200.0 | JOSHUA TREE NATIONAL MONUMENT | (PKG NO.173) RECONSTRUCT UNSAFE/ NARROW PARK ROADS | 6071 |
| 201.0 | OLYMPIC NATIONAL PARK | (PKG NO.260) STUDY AND CONSTUCT SEWAGE SYSTEM | 790 |
| 202.0 | EISENHOWER NAT HISTORIC SITE | (PKG NO.111) INSTALL WATER & FIRE SUPPRESSION SYSTEM | 369 |
| 203.0 | GETTYSBURG NAT MILITARY PARK | (PKG NO.102) INSTALL WATER & FIRE PROTECTION | 705 |
| 206.0 | GATES OF THE ARCTIC NP & PRESERV | (PKG NO.109) CONSTRUCT RADIO SYS. FOR MGMT. & EMER. OPER. | 348 |
| 207.0 | NORTHWEST ALASKA AREAS | (PKG NO.105) DEVELOPE AREA WIDE RADIO SYSTEM | 151 |
| 211.0 | LAKE MEAD NAT RECREATION AREA | (PKG NO.242) RELOCATE LAKESHORE ROAD ROUTE 2 | 3593 |
| 214.0 | KALAUPAPA NAT HISTORICAL PARK | (PKG NO.107) RECONSTRUCT WATER SYSTEM, KALAUPAPA-WAIKDA | 4320 |
| 215.0 | COLONIAL NAT HISTORICAL PARK | (PKG NO.177) SHORELINE PROT ALONG JAMES RIVER-1,500 LF | 642 |
| 223.0 | NEZ PERCE NATIONAL HISTORIC PARK | (PKG NO.186) REPLACE LAPWAI CREEK BRIDGE | 148 |
| 226.0 | JEFFERSON NAT EXPAN MEM NHS | (PKG NO.243) INSTALL LIFE SAFETY & HANDICAPPED ACCESS IMP. | 525 |

## CONSTRUCTION PROJECT PRIORITIES
(OBJECTIVE BY SERVICEWIDE PRIORITY)

| PRIORITY | NAME OF PARK | CONSTRUCTION PACKAGE TITLE | $ COST ($000's) |
|---|---|---|---|
| 233.0 | COLONIAL NAT HISTORICAL PARK | (PKG NO.251) REHAB 7 BRIDGES, PAVE. REPAIR/REPLACE COLO PKWY | 6220 |
| 237.0 | SHENANDOAH NATIONAL PARK | (PKG NO.248) SUPPL WATER SUPPLY INCL WELL, PUMPS, ACCESS ROAD | 219 |
| 242.0 | DENALI NATIONAL PARK & PRESERVE | (PKG NO.234) SEWER FACILITIES--HEADQUARTERS | 454 |
| 247.0 | GRAND CANYON NATIONAL PARK | (PKG NO.416) MODIFY WASTEWATER TREATMENT PLANT - SOUTH RIM | 0 |
| 252.0 | HALEAKALA NATIONAL PARK | (PKG NO.149) DEVELOP KIPAHULU POTABLE WATER SYSTEM | 1372 |
| 257.0 | GOLDEN GATE NAT RECREATION AREA | (PKG NO.181) CONSTRUCT PUBLIC REST ROOMS | 317 |
| 259.0 | ASSATEAGUE ISLAND NAT SEASHORE | (PKG NO.231) RECONSTRUCT 4.3 MILES, NORTH BEACH ROAD | 3370 |
| 263.0 | GEORGE WASHINGON MEM PARKWAY | (PKG NO.640) REPAIR WASHINGTON BOULEVARD BRIDGE | 1200 |
| 273.0 | VIRGIN ISLANDS NATIONAL PARK | (PKG NO.127) RECONSTRUCT NORTH SHORE AND LAMESHUR ROADS | 3412 |
| 276.0 | MOUNT RAINIER NATIONAL PARK | (PKG NO.347) REHABILITATE SKI DORM--PARADISE | 1152 |
| 290.0 | SARATOGA NATIONAL HISTORICAL PK | (PKG NO.152) REHAB ENTRANCE ROAD AND FOUR BRIDGES | 45 |
| 291.0 | GOLDEN GATE NATIONAL PARK | (PKG NO.218) INSTALL CONZELMAN ROAD GUARD RAILS | 150 |
| 297.0 | SCOTTS BLUFF NATIONAL MONUMENT | (PKG NO.125) ABATE ROCKSLIDE HAZARD-REPAIR SURFACE, SUMMIT RD | 3000 |
| 300.0 | LAKE MEAD NAT RECREATION AREA | (PKG NO.258) STABALIZE SHOULDERS OF NORTH SHORE ROAD | 2430 |
| 315.0 | LASSEN VOLCANIC | (PKG NO.223) REHABILITATE SULPHUR WORK WATER SYSTEM | 126 |
| 318.0 | MT. RAINIER NATIONAL PARK | (PKG NO.370) REHAB LONGMIRE HOTEL ROOMING FACILITY | 500 |
| 325.0 | LAKE MEAD NAT RECREATION AREA | (PKG NO.353) ENLARGE SEWER LAGOON AT CALLVILLE BAY | 423 |
| 340.0 | LAKE MEAD NATIONAL REC AREA | (PKG NO.349) CONSTRUCT COMFORT STATIONS, VARIOUS LOCATIONS | 348 |
| 355.0 | KATMAI NATIONAL PARK & PRESERVE | (PKG NO.163) CONSTRUCT ELEVATED BOARD WALK | 144 |
| 363.0 | DELAWARE WATER GAP NAT REC AREA | (PKG NO.292) REHABILITATE U.S. 209, RIVER RD & OLD MINE ROAD | 22810 |
| 375.0 | PRINCE WILLIAM FOREST PARK | (PKG NO.145) IMPROVE OPERATIONS/SAFETY MAINTENANCE FACILITY | 1869 |
| 394.0 | ACADIA NATIONAL PARK | (PKG NO.130) CONST RANGER STATION/QUARTERS,ISLE AU HAUT | 63 |

## CONSTRUCTION PROJECT PRIORITIES
(OBJECTIVE BY SERVICEWIDE PRIORITY)

| PRIORITY | NAME OF PARK | CONSTRUCTION PACKAGE TITLE | $ COST ($000's) |
|---|---|---|---|
| 395.0 | CRATER LAKE NATIONAL PARK | (PKG NO. 209) CONSTRUCT FOUR PLEX SEASONAL HOUSING-POR.I | 3018 |
| 419.0 | ISLE ROYALE NATIONAL PARK | (PKG NO.218) REPL. GUEST HOUSE, CONC. HOUSING, ROCK HARBOR | 892 |
| 421.0 | JOHN DAY FOSSIL BEDS NM | (PKG NO. 119) RECONSTRUCT ROADS AND PARKING AREAS | 222 |
| 422.0 | LASSEN VOLCANIC NATIONAL PARK | (PKG NO. 275) CONST NPS HOUSING AND MAINTENANCE BUILDING | 4060 |
| 431.0 | COULEE DAM NAT. RECREATION AREA | (PKG NO. 120) REHAB CAMPGROUND ROAD AND PARKING | 187 |
| 441.0 | WHITMAN MISSION NAT HIST SITE | (PKG NO. 133) CORRECT DESIGN DEFICIENCIES IN PARK ENTRANCE RD | 1691 |
| 443.0 | SAN ANTONIO MISSIONS NHP | (PKG NO. 129) UPGRADE-REMOVE UTILITIES--REHAB STRUCTURES | 1076 |
| 455.0 | CAPE COD NATIONAL SEASHORE | (PKG NO.210) RECONST RACE POINT AND HIGH HEAD ROADS | 102 |
| 458.0 | CUMBERLAND GAP NAT HIST PARK | (PKG NO. 139) RELOCATE US 25E UPDATE--CONSTRUCT TUNNEL | 109900 |
| 461.0 | CRATERS OF THE MOON NM | (PKG NO. 138) RECONSTRUCT INTERIOR ROAD SYSTEM | 870 |
| 465.0 | CAPE COD NATIONAL SEASHORE | (PKG NO. 213) REPAVE BICYCLE TRAILS | 387 |
| 475.0 | ACADIA NATIONAL PARK | (PKG NO. 282) CONSTRUCT RESTROOMS AND SEWER, WILDWOOD | 253 |
| 480.0 | OLYMPIC NATIONAL PARK | (PKG NO. 353) REPLACE LOG CABIN/RESORT CABINS | 30 |
| 489.0 | MOUNT RAINIER NATIONAL PARK | (PKG NO. 372) REHABILITATE PARADISE INN ANNEX | 2500 |
| 497.0 | CRATER LAKE NATIONAL PARK | (PKG NO. 235) REHAB WEST & SOUTH ENTRANCE & ONE-WAY ROADS | 1037 |
| 504.0 | KATMAI NATIONAL PARK & PRESERVE | (PKG NO. 161) CONSTRUCT THREE BRIDGES & REHAB ROAD | 2920 |
| 571.0 | NAVAJO NATIONAL MONUMENT | (PKG NO. 141) CONSTRUCT PEDESTRIAN TRAIL TUNNEL | 780 |
| ** Subtotal ** | | | 347670 |

## Visitor Facilities Fund

58. Question: What projects are to be funded with the $8.5 million VFF?

Answer: The following projects are to be funded from the Visitor Facilities Fund:

| Park | Package Number | Title | Amount |
|---|---|---|---|
| **Construction** | | | |
| Death Valley National Monument | 324 | Replace Motel Building,Concessioner Storage Building and Employee Trailer Court | $900,000 |
| Yellowstone National Park | 620 | Rehabilitate Purchased Concessions Facilities | 3,357,000 |
| Bryce Canyon National Park | 174 | Rehabilitate Bryce Canyon Lodge | 1,800,000 |
| | | Subtotal | 6,057,000 |
| **Project Planning** | | | |
| Bryce Canyon National Park | 174 | Rehabilitate Bryce Canyon Lodge | 110,000 |
| Bryce Canyon National Park | 146 | Infrastructure for Concessioner Development | 50,000 |
| Cape Lookout National Park | 125 | Replace 34 Guest Lodging Units | 110,000 |
| Crater Lake National Park | 220 | Construct Replacement Lodging Facility | 450,000 |
| Gateway National Recreation Area | 149 | Replace Great Kills Bathhouse | 100,000 |
| George Washington Memorial Parkway | 474 | Infrastructure for Concessioner Development | 60,000 |
| Glen Canyon National Recreation Area | 340 | Concessions Support Facilities | 75,000 |
| Mount Rainier National Park | 315 | Rehabilitate Sunrise Lodge | 110,000 |
| Mount Rainier National Park | 370 | Rehabilitate Paradise Inn | 100,000 |
| National Capital Parks-Central | 409 | Finish National Sculpture Gardens Facilities | 91,000 |
| National Capital Parks-East | 316 | Rehabilitate NPS Concessioner Operated Marinas | 80,000 |
| Sequoia National Park | 103 | Infrastructure for Concessioner Development | 90,000 |
| Sequoia National Park | 200 | Construct Clover Creek Developed Area | 300,000 |
| Voyageurs National Park | 154 | Construct Replacement Lodging, Kettle Falls | 200,000 |
| Yellowstone National Park | 620 | Rehabilitate Purchased Concessioner Facilities | 150,000 |
| | | Subtotal | 2,076,000 |
| **Advance Planning** | | | 367,000 |
| (Lump Sum Program, not formulated until beginning of fiscal year) | | | |
| | | Grand Total, Visitor Facilities Fund Projects | 8,500,000 |

### Yosemite Employee Housing Construction

59. Question: What is the current status of legislation needed to permit employee financing and ownership of houses on NPS owned land at El Portal, near Yosemite NP? Why shouldn't that be pursued, rather than appropriating construction funds? How much will that cost, in total, before it is complete? Please provide a drafting service for language that would accomplish employee financing and ownership of the houses.

Answer: House Report 1390, which would encourage private investment in housing through the granting of long-term leases to individual employees passed the House on July 15, 1985. No comparable Senate bill has been introduced. However, the Senate Subcommittee on Public Lands, Reserved Water and Resource Conservation held a hearing on the House bill on February 21, 1986. The testimony presented at that hearing provided estimated financial information on the lease proposal as well as the specific language changes to the House bill that are recommended by the National Park Service. Copies of the testimony will be provided to the Committee.

### Land Acquisition Deferral

60. Question: Please provide copies of material relating to the deferral of $1.9 million from 1985 to 1986 for land acquisition management.

Answer: The deferral of $1.9 million for land acquisition management is included in the following deferral statement which was submitted to Congress on March 12, 1986.

Deferral No: D86-64

## DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of P.L. 93-344

| | |
|---|---|
| **Agency** Department of the Interior<br>**Bureau** National Park Service<br>**Appropriation title & symbol**<br>Land Acquisition and State Assistance<br>14X5035 | **New budget authority** (P.L. 99-190) $ 98,400,000<br>**Other budgetary resources** 184,754,161<br>**TOTAL budgetary resources** 283,154,161<br>**Amount to be deferred:**<br>**Part of year** $<br>**Entire year** 1,893,000 |
| **OMB identification code:**<br>14-5035-0-2-303<br>**Grant program** ☒ Yes ☐ No | **Legal authority** *(in addition to sec. 1013)*:<br>☒ Antideficiency Act<br>☐ Other |
| **Type of account or fund:**<br>☐ Annual<br>☐ Multiple-year *(expiration date)*<br>☒ No-year | **Type of budget authority:**<br>☒ Appropriation<br>☒ Contract authority<br>☐ Other |

Justification: This appropriation provides (1) funds to acquire land for inclusion in the National Park System, and (2) grants to others for outdoor recreation purposes. The 1987 Budget proposes to pay administrative expenses for prior-year grants to States and administrative expenses for land acquisition from unobligated prior-year balances. Accordingly, $893,000 of the Secretary's contingency fund for grants and $1,000,000 of administrative expense funds are being deferred to cover estimated administrative costs in 1987. These funds are not needed to meet anticipated requirements in 1986. Appropriation language is proposed to make contingency grant funds available for administrative expenses. This deferral action is taken under the provisions of the Antideficiency Act (31 U.S.C. 1512).

Estimated Program Effect: Funding availability for outdoor recreation grants from the Secretary's contingency fund will be reduced by $893,000. No significant program impacts are anticipated. The $1,000,000 for administrative expense funding can be deferred without reducing the 1986 operating level by using unobligated balances of prior-year administrative expense funds.

Outlay Effect: None

## Land Acquisition Court Awards

61. Question: What is the potential cost of land acquisition court awards and deficiencies pending? Please provide a park by park listing for the record, including amounts posted, awards to date, appeals, etc.

Answer: With the exception of a proposed settlement on the interest issue at Congaree Swamp National Monument there are currently no outstanding final condemnation awards or deficiencies. At Congaree Swamp National Monument it is anticipated that the deficiency will be paid from the Claims and Judgments Appropriation.

Until trials have been completed or settlement reached, the amount of deficiency funds needed is not known. The following table lists the parks with pending condemnation cases awaiting trial, settlement, or final judgment, and the amount obligated or deposited to date.

There are also 12 tracts remaining in an inverse condemnation action at Voyageurs National Park and one tract at the Black Canyon of the Gunnison National Monument. It is anticipated that they will be settled by the end of fiscal year 1986.

At Redwood National Park the trial is now underway on the 1978 legislative taking. Public Law 99-151 dated November 13, 1985, authorized the payment of fiscal judgments and settlements from the Claims and Judgment Appropriation.

National Park Service
Summary of Condemnations Pending
Award or Settlement
(Excluding Congaree Swamp NM and Redwood NP "Big 3" timber company properties)

| AREA | No. of TRACTS | AMOUNT OBLIGATED OR DEPOSITED | ESTIMATED TRIAL/SETTLEMENT DATE (F.Y.) |
|---|---|---|---|
| Appalachian NS Trail | 42 | $ 3,058,506 | 1987, 1988 |
| Big Cypress NPres | 44 | 406,246 | 1986, 1987 |
| Big Thicket NPres | 152 | 2,222,319 | 1986, 1987, 1988 |
| Biscayne NP | 4 | 1,192,120 | 1987 |
| Cape Cod NS | 18 | 1,965,168 | 1986 |
| Cuyahoga Valley NRA | 4 | 1,169,419 | 1986 |
| Grand Teton NP | 3 | 2,671,000 | 1986, 1987 |
| Indiana Dunes NL | 8 | 478,506 | 1986 |
| Lassen Volcanic NP | 1 | 6,397,454 | 1986 |
| Manassas NBP | 1 | 906,250 | 1986 |
| Minute Man NP | 4 | 315,000 | 1986 |
| Redwood NP | 6 | 2,298,499 | 1986, 1987 |
| Saguaro NM | 1 | 63,748 | 1986 |
| Sleeping Bear Dunes NL | 13 | 2,446,725 | 1986, 1987 |
| Voyageurs NP | 4 | 896,700 | 1987 |
| Totals | 305 | $ 26,487,660 | |

## Motor Vehicle Replacement

62. Question: Please provide a detailed justification, by location, for the automobile and bus acquisitions proposed in 1987.

Answer: The following is a listing of automobile and bus replacement needs the National Park Service currently projects for fiscal year 1987. The vehicles are marked for replacement either due to age or mileage limitations which makes them unsafe or no longer cost-effective to maintain. The number of vehicles identified as candidates for replacement are based on these factors and establish the latitude and capacity required for the Service to respond to the programmatic demands of the coming year. A number of factors will determine the actual replacements and acquisitions: availability of funds, industry and market conditions in the automobile trade, legislative mandates which affect the budget, and new or modified regulatory requirements issued by various authorities which impact fleet management (fuel economy limitations and class limitations).

| Area | Number of Automobiles Eligible for Replacement |
|---|---|
| ALASKA REGION | |
| Denali National Park and Preserve | 2 |
| MID-ATLANTIC REGION | |
| Assateague Island National Seashore | 5 |
| Booker T Washington National Monument | 1 |
| Colonial National Historical Park | 14 |
| Delaware Water Gap National Recreation Area | 7 |
| Fort Necessity National Battlefield | 1 |
| Fredericksburg and Spotslyvania County Battlefields Memorial National Military Park | 8 |
| George Washington Birthplace National Monument | 2 |
| Gettysburg National Military Park | 4 |
| Hopewell Furnace National Historic Site | 2 |
| Petersburg National Battlefield | 4 |
| Richmond National Battlefield | 1 |
| Shenandoah National Park | 16 |
| Valley Forge National Historical Park | 6 |
| MIDWEST REGION | |
| Cuyahoga Valley National Recreation Area | 10 |
| Effigy Mounds National Monument | 1 |
| Indiana Dunes National Lakeshore | 17 |
| Ozark National Scenic River | 1 |
| Scotts Bluff National Monument | 1 |

| Area | Number of Automobiles Eligible for Replacement |
|---|---|
| NORTH ATLANTIC REGION | |
| Acadia National Park | 11 |
| Cape Cod National Seashore | 2 |
| Gateway National Recreation Area | 6 |
| NATIONAL CAPITAL REGION | |
| Manassas National Battlefield Park | 2 |
| Prince Williams Forest Park | 2 |
| U.S. Park Police | 67 |
| PACIFIC NORTHWEST REGION | |
| Coulee Dam National Recreation Area | 4 |
| Olympic National Park | 12 |
| ROCKY MOUNTAIN REGION | |
| Badlands National Park | 2 |
| Bents Old Fort National Historic Site | 1 |
| Custer Battlefield National Historic Site | 1 |
| Dinosaur National Monument | 5 |
| Florissant Fossil Beds National Monument | 1 |
| Fort Union Trading Post National Historic Site | 1 |
| Glacier National Park | 15 |
| Grand Teton National Park | 1 |
| Jewel Cave National Monument | 1 |
| Knife River National Historical Park | 1 |
| Mount Rushmore National Memorial | 2 |
| Rocky Mountain National Park | 10 |
| Theodore Roosevelt National Park | 4 |
| Yellowstone National Park | 31 |
| SOUTHEAST REGION | |
| Blue Ridge Parkway | 26 |
| Christiansted National Historic Site | 1 |
| De Soto National Memorial | 1 |
| Everglades National Park | 11 |
| Fort Sumter National Monument | 1 |
| Great Smoky Mountain National Park | 20 |
| Virgin Islands National Park | 2 |
| WESTERN REGION | |
| Grand Canyon National Park | 7 |
| Hawaii Volcanoes National Park | 5 |
| Joshua Tree National Monument | 4 |
| Lake Mead National Recreation Area | 3 |
| Subtotal, Fiscal Year 1987 Automobile Request | 366 |
| Potential Additional Requirement - Undistributed | 34 |
| Total Authorized | 400 |

The Service is requesting authorization for the purchase of up to 20 buses to replace units currently in service which exceed age and mileage standards. Known requirements exist for the following areas:

| Area | Number of Buses |
|---|---|
| Colonial National Park | 3 |
| Everglades National Park | 2 |
| Grand Canyon National park | 7 |
| Lyndon B. Johnson National Historical Park | 5 |
| Yellowstone National Park | 1 |
| Subtotal, Fiscal Year 1987 Bus Request | 18 |
| Potential Addition Acquisitions - Undistributed | 2 |
| Total Authorized | 20 |

An additional two buses were included in the estimate to cover potential unforeseen requirements not identified by site.

Delaware Water Gap--Route 209

63a. Question: Please provide a detailed statement of expenditures to date of the operating expenditures for Delaware Water Gap's Route 209.

Answer: The Service assumed responsibility for U.S. Route 209 in 1983. Start up costs were incurred from March of 1983 through the end of the fiscal year and came entirely from appropriated funds; no fees were collected.

| 1983 Expenditures: | |
|---|---|
| Law Enforcement | $215,600 |
| Maintenance and Repair [1/] | 174,400 |
| EIS and Planning | 105,000 |
| Turnarounds and Parking along Road | 269,000 |
| Road Resurfacing | 398,000 |
| Total | $1,162,000 |

| 1984 Expenditures: | |
|---|---|
| Law Enforcement | $377,000 |
| Dispatcher Operations | 112,000 |
| Maintenance and Repair | 592,700 |
| Fee Collection Costs | 195,000 |
| Paving | 220,000 |
| Guardrail and Bridge Repair | 31,000 |
| Total | $1,527,700 |

1985 Expenditures:

| | |
|---|---|
| Law Enforcement | $377,000 |
| Dispatcher Operations | 112,000 |
| Maintenance and Repair | 592,700 |
| Fee Collection | 195,000 |
| Contact Station | 228,000 |
| Total | $1,504,700 |

1986 Expenditures (anticipated):

| | |
|---|---|
| Law Enforcement | $377,000 |
| Dispatcher Operations | 112,000 |
| Maintenance and Repair | 882,000 |
| Fee Collection | 195,000 |
| Paving | 255,000 |
| Total | $1,821,000 |

[1] Road use fees of $446,000 were collected to supplement appropriated funds

63b. Question: Is the $681,000 budgeted in 1987 adequate on an annual basis to properly maintain Delaware Water Gap's Route 209?

Answer: The Service has estimated that $681,000 will be collected as U.S. Route 209 road use fees for fiscal year 1987. This amount is based on fiscal year 1985 road useage and an increase in the vehicle use charge from $5 to $7. This revenue is used to defray the estimated total cost of operation and maintenance of the road. For fiscal year 1987, the estimated total cost is $2,053,000.

## Regional Science Projects

64. Question: Please provide a summary of all NPS regional science projects in 1985, 1986, and 1987.

Answer: In addition to salaries and support for Regional Office Science staff, a wide variety of science projects are funded totally and in part from Regional Science funds. The actual or planned expenditure of funds by Region for fiscal years 1985, 1986, and 1987 is as follows:

## REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| ** NATIONAL PARK SERVICE REGION: AK | | |
| * YEAR: 85 | | |
| ARO | LANDSAT GROUND TRUTHING | 19000 |
| ARO | LABORATORY OPERATION | 15000 |
| ARO | PUBLISH SCIENTIFIC PAPERS | 3000 |
| ARO | REGIONAL OFFICE PERSONNEL & SUPPORT COSTS | 356700 |
| BELA | HELICOPTER SUPPORT FOR RESOURCE MANAGEMENT | 6000 |
| BELA | WILLOW ECOLOGY STUDY | 3500 |
| DENA | DECLINE OF DENALI CARIBOU POPULATION | 10000 |
| DENA | WOLF CENSUS | 12000 |
| DENA | MOOSE CENSUS--DENALI | 30000 |
| DENA | DALL SHEEP STUDY | 19500 |
| DENA | ANALYSIS OF TRAMPLING DATA | 2500 |
| DENA | WATER BASELINE AND MINING EFFECTS STUDY | 10000 |
| GAAR | WOLF DEN SURVEY | 2500 |
| GLBA | VISITOR USE STUDY | 12500 |
| GLBA | ROCKY MT. GOAT CENSUS | 15000 |
| GLBA | ANALYSIS OF WHALE STUDY DATA | 28000 |
| KATM | FISH LADDER STUDY | 11000 |
| KEFJ | ROCKY MT. GOAT CENSUS | 6000 |
| KEFJ | VEGETATION SUCCESSION STUDY | 3000 |
| LACL | FORESTRY RESOURCES SURVEY | 6000 |
| LACL | WATER BASELINE STUDY | 3000 |
| LACL | DALL SHEEP CENSUS | 7000 |
| NOAT | DALL SHEEP STUDY | 9000 |
| NOAT | BEAR ECOLOGY STUDY | 10000 |
| NOAT | DALL SHEEP SURVEY | 3000 |
| SITK | INSTREAM FLOW STUDY | 35000 |
| WRST | STUDY OF EFFECTS OF ATV'S | 10000 |
| WRST | STEELHEAD TROUT RADIO TRACKING STUDY | 6000 |
| YUCH | CARIBOU STUDY--YUKON-CHARLY RIVERS | 8000 |
| YUCH | PEREGRINE FALCON STUDY | 16000 |
| YUCH | WOLF CENSUS | 9000 |
| * Subsubtotal * | | |
| | | 687200 |
| * YEAR: 86 | | |
| ARO | PUBLISH SCIENTIFIC PAPERS | 6000 |
| ARO | GEOGRAPHIC INFORMATION SYSTEM | 5000 |
| ARO | LABORATORY OPERATION | 15000 |
| ARO | REGIONAL OFFICE PERSONNEL & SUPPORT COSTS | 326000 |
| ARO | RESOURCE MANAGEMENT SPECIALIST & SUPPORT | 60000 |
| BELA | WILLOW ECOLOGY STUDY | 15000 |
| GAAR | ANALYSIS OF DALL SHEEP STUDY DATA | 2500 |
| GAAR | WOLF PACK DEN SURVEY | 15000 |
| GLBA | HUMPBACK WHALE AND WHALE PREY MONITORING | 15000 |

REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| KATM | NITROGEN CYCLING STUDY | 5000 |
| KATM | BATTLE LAKE FISH SURVEY | 6500 |
| KEFJ | SEA BIRD AND MAMMAL SURVEY | 18000 |
| LACL | WOLF CENSUS | 4000 |
| LACL | VISITOR IMPACT STUDY | 5000 |
| LACL | AERIAL SURVEY OF SALMON | 2000 |
| NOAT | BEAR ECOLOGY STUDY | 40000 |
| NOAT | BEAR MOVEMENTS AND HARVEST STUDY | 25000 |
| NOAT | AIR QUALITY MONITORING | 7000 |
| WRST | ATV STUDY | 6000 |
| WRST | FORESTRY AND RANGE SURVEY | 17000 |
| XXXX | GRAMM-REDMAN-HOLLINGS CUT | 33800 |
| YUCH | CARIBOU STUDY | 10000 |
| YUCH | RIVER USE SURVEY | 25000 |
| YUCH | AIR QUALITY MONITORING | 7000 |
| YUCH | FISHERIES SURVEY | 10000 |
| * Subsubtotal * | | |
| | | 681600 |
| * YEAR: 87 | | |
| ANIA | MOOSE CENSUS | 5000 |
| ARO | GEOGRAPHIC INFORMATION SYSTEM | 25000 |
| ARO | PUBLISH SCIENTIFIC PAPERS | 6000 |
| ARO | LABORATORY OPERATIONS | 15000 |
| ARO | REGIONAL OFFICE PERSONNEL & SUPPORT COSTS | 363000 |
| ARO | RESOURCE MANAGEMENT SPECIALIST & SUPPORT | 60000 |
| BELA | WILLOW ECOLOGY STUDY | 15000 |
| LACL | VISITOR IMPACT STUDY | 25000 |
| LACL | TAZIMINA RIVER FISHERIES STUDY | 15000 |
| NOAT | BEAR ECOLOGY STUDY | 40000 |
| NOAT | BEAR MOVEMENTS AND HARVEST STUDY | 25000 |
| WRST | FORESTRY AND RANGE SURVEY | 25000 |
| WRST | STEELHEAD TROUT STUDY | 30000 |
| YUCH | CARIBOU STUDY | 10000 |
| YUCH | FISHERIES SURVEY | 15000 |
| YUCH | WOLF CENSUS | 10000 |
| * Subsubtotal * | | |
| | | 684000 |
| ** Subtotal ** | | |
| | | 2052800 |

## REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| ** NATIONAL PARK SERVICE REGION: MAR | | |
| * YEAR: 85 | | |
| ASIS | POPULATION CHARACTERISTIC & ECOLOGY-RED FOX | 0 |
| BOWA | SMALL ANIMAL STUDY | 300 |
| DEWA | RARE PLANT SURVEY, NJ PORTION | 14900 |
| DEWA | STUDY OF WINTERING EAGLES | 0 |
| GETT | POPULATION STATUS, MOVEMENT & IMPACTS OF DEER | 29700 |
| GETT | FLORISTIC SURVEY, BIG/LITTLE ROUNDTOP | 300 |
| GETT | PERMANENT RESEARCH QUARTERS | 8000 |
| GETT/VAFO | ACID DEPOSITION MONITORING | 5000 |
| HOFU | VISITOR MANAGEMENT | 9000 |
| JOFL | EVALUATION OPP. TO CREATE HERB. COMM. | 2400 |
| MARO | RESEARCH SCIENTIST, SALARY & SUPPORT--PENN ST | 59000 |
| MARO | PARK SCIENCE MAGAZINE SUPPORT | 2800 |
| MARO | REGIONWIDE-RESOURCE MNGT PROJECTS | 43100 |
| MARO | PRINTING & MISCELLANEOUS COSTS | 10200 |
| PETE | ASSESSING THREATS TO EFFECTIVE MANAGEMENT | 9400 |
| RICH | FLORA SURVEY | 6000 |
| SHEN | BLACK BEAR ECOLOGY | 17500 |
| UPDE | RARE PLANT SURVEY, NY PORTION | 18700 |
| * Subsubtotal * | | |
| | | 236300 |
| * YEAR: 86 | | |
| ASIS | NORTH END EROSION STUDY | 6000 |
| DEWA | LANDSCAPE MANAGEMENT | 3000 |
| DEWA/NERI/UPDE | RIVER RESEARCH PROGRAM | 80000 |
| GETT | DEER ECOLOGY | 29000 |
| GETT | FLORA INVENTORY AND MAPPING | 20000 |
| HOFU | FLORA SURVEY | 3000 |
| MARO | RESEARCH SCIENTIST, SALARY & SUPPORT--PENN ST | 50900 |
| MARO | PARK SCIENCE MAGAZINE SUPPORT | 2800 |
| NERI | PARTICULATE TIME OF TRAVEL STUDY | 3000 |
| NERI | AERIAL PHOTOS AND COVER TYPE MAPPING | 22200 |
| RICH | FLORA SURVEY | 2000 |
| UPDE/DEWA | WATER QUALITY STUDY | 5000 |
| XXXX | GRAMM-RUDMAN-HOLLINGS CUT | 10000 |
| * Subsubtotal * | | |
| | | 236900 |
| * YEAR: 87 | | |
| DEWA/NERI/UPDE | RIVER RECREATION PROJECT | 25000 |
| DEWA/UPDE | WATER QUALITY STUDY | 10000 |
| FONE | HYDROLOGICAL STUDY OF GREAT MEADOW | 10000 |
| GETT | DEER ECOLOGY STUDY | 35000 |

## REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| GETT | FLORA INVENTORY AND MAPPING | 25000 |
| MARO | RESEARCH SCIENTIST. SALARY & SUPPORT--PENN ST | 79000 |
| MARO | PARK SCIENCE MAGAZINE SUPPORT | 2800 |
| MARO | REGIONWIDE RESOURCE MNGT PROJECTS | 25000 |
| PETE | URBAN ENCROACHMENT STUDY | 10000 |
| RICH | COMPLETE FLORA SURVEY | 5000 |
| SHEN | DEVELOP GIS DATA BASE | 10000 |
| * Subsubtotal * | | 236800 |
| ** Subtotal ** | | 710002 |

** NATIONAL PARK SERVICE REGION: MWR

* YEAR: 85

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| AGFO | PALEONTOLOGICAL STUDY | 20373 |
| APIS | EAGLE STUDY | 8000 |
| APIS | BENTHOS STUDY | 13600 |
| APIS | WATER QUALITY SURVEY | 3000 |
| CPSU | SCIENCE/RESOURCE MANAGEMENT STAFF COSTS | 54797 |
| CPSU-MICH TECH | CPSU SUPPORT COSTS | 20000 |
| CUVA | VEGETATION STUDY | 5000 |
| CUVA | FOREST EROSION STUDY | 1000 |
| FOSC | PRAIRIE STUDY | 1000 |
| GWCA | PRAIRIE RESTORATION | 7500 |
| HEHO | PRAIRIE RESTORATION | 8000 |
| ILMI | GEOLOGY | 25000 |
| INDU | FOREST STUDY-LIBO | 7000 |
| MULT | ENGANGERED SPECIES STUDY | 85000 |
| MULT | WILDLIFE GENETICS STUDY | 5000 |
| MWRO | SCIENCE/RESOURCE MANAGEMENT STAFF COSTS | 135312 |
| OZAR | RIVER USE PLAN | 2000 |
| OZAR | FISH HABITAT STUDY | 5425 |
| OZAR | CANOE COUNT STUDY | 2000 |
| PIPE | PRAIRIE FAUNA STUDY | 10064 |
| PIPE | PRAIRIE RESTORATION | 7000 |
| SACN | PRAIRIE STUDY | 8940 |
| SACN | RIVER RECREATION STUDY | 5200 |
| SACN | BIRD MIGRATION STUDY | 15000 |
| SACN | PRAIRIE SURVEY | 10000 |
| SCBL | PRAIRIE RESTORATION | 9800 |
| WICR | PRAIRIE/SAVANNA STUDY | 9869 |
| WICR | PRAIRIE RESTORATION | 700 |
| * Subsubtotal * | | 485600 |

## REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| * YEAR: 86 | | |
| APIS | WATER QUALITY STUDY | 21000 |
| CPSU--MICH TECH | CPSU SUPPORT COSTS | 20000 |
| CUVA | HAZARDOUS SITE ANALYSIS | 5000 |
| FOLS | PRAIRIE RESTORATION | 7000 |
| FOSC | PRAIRIE RESTORATION | 1000 |
| GWCA | PRAIRIE RESTORATION | 7000 |
| GWCA | SPRING RECHARGE AREAS | 8000 |
| HOME | PRAIRIE SOD TRANSPLANT | 4000 |
| INDU | HOWE'S PRAIRIE BURN | 9750 |
| INDU | MILLER WOODS HYDROLOGY | 8500 |
| ISRO | MOOSE SIGHTABILITY | 2700 |
| LIBO | HISTORIC VEGETATION | 8100 |
| MWRO | SCIENCE/RESOURCE MANAGEMENT STAFF COSTS | 236307 |
| MWRO | PRAIRIE MONITORING | 5000 |
| MWRO | WATER QUALITY MONITORING | 2000 |
| MWRO | GREAT LAKES FIRE HISTORY | 5000 |
| OZAR | LAND RECREATION STUDY | 6000 |
| PIPE | FAUNA STUDY | 8158 |
| PIPE | EXOTIC SPECIES MANAGEMENT | 10000 |
| SACN | CRITICAL HABITAT DEFINITION | 15000 – |
| SCBL | PRAIRIE RESTORATION | 9000 |
| SCBL | WILDLIFE SURVEY | 15685 |
| SLBE | AQUATIC VEGETATION SURVEY | 10000 |
| VOYA | TERRESTRIAL STUDIES | 5000 |
| VOYA | BIRD/MAMMAL STUDIES | 10000 |
| VOYA | FISH STUDIES | 10000 |
| WICR | WATER QUALITY | 5000 |
| WICR | HISTORIC VEGETATION STUDY | 10000 |
| * Subsubtotal * | | |
| | | 464200 |
| * YEAR: 87 | | |
| AGFO | HYDROLOGICAL STUDY | 3000 |
| APIS | IDENTIFY INSHORE CURRENTS | 10000 |
| APIS | BALD EAGLE RESEARCH | 10000 |
| APIS | REVISE & IMPLEMENT WILDERNESS PLAN | 10000 |
| CPSU--MICH TECH | CPSU SUPPORT COSTS | 20000 |
| EFMO | WILDLIFE STUDY | 6000 |
| FOLS | PRAIRIE RESTORATION | 12000 |
| FOLS | WATER RESOURCE MANAGEMENT | 10000 |
| GRPO | VEGETATIVE COMPOSITION STUDY | 1000 |
| GWCA | PRAIRIE RESTORATION | 11000 |
| GWCA | WATER RESOURCES | 4000 |
| HOME | PRAIRIE SOD TRANSPLANTING | 10000 |
| INDU | MILLER WOODS HYDROLOGY/ECOLOGY | 9000 |
| ISRO | PERMANENT PLOT ESTABLISHMENT | 6000 |

## REGIONAL NATURAL SCIENCE PROGRAMS
(1985,1986,1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| ISRO | RESTORE EXTIRPATED SPECIES | 27000 |
| LIBO | REFORESTATION | 5000 |
| MWRO | SCIENCE/RESOURCE MANAGEMENT STAFF COSTS | 249100 |
| OZAR | CAVE ECOLOGY STUDY | 10000 |
| OZAR | RIPARIAN ECOLOGY | 15000 |
| OZAR | RIVER ECOLOGY STUDIES | 5000 |
| SACN | CRITICAL HABITAT DEFINITION | 15000 |
| SACN | PRAIRIE RESTORATION/MONITORING | 5000 |
| SCBL | PRAIRIE REESTABLISHMENT | 7000 |
| SLBE | PIPING PLOVER RESEARCH | 5000 |
| WICR | ENDANGERED PLANT RESEARCH | 3000 |
| * Subsubtotal * | | |
| | | 468100 |
| ** Subtotal ** | | |
| | | 1417900 |

** NATIONAL PARK SERVICE REGION: NAR

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| * YEAR: 85 | | |
| ACAD | COLONIAL WATERBIRDS STUDY | 6100 |
| ACAD | THREAT/STUDY OF OTTER, PHASE I | 2000 |
| ACAD | AIR QUALITY TRACE ELEMENTS | 4100 |
| CACO | BROWN-TAILED MOTH STUDY | 17000 |
| CACO | THEMATIC MAPPING | 1000 |
| CACO | POND LIMNOLOGY | 5000 |
| CACO | HERRING RIVER WATER QUALITY ANALYSIS | 6000 |
| FIIS | ECOLOGICAL INVENTORY | 11500 |
| FIIS | RESOURCE MANAGEMENT SUPPORT | 3000 |
| FIIS | DEER RESOURCE MANAGEMENT SUPPORT | 3000 |
| GATE | HEALTH EXPOSURE PCB FISH STUDY | 25000 |
| GATE/FIIS | COASTAL GEOMORPHOLOGY | 6200 |
| NARO | REGIONAL SCIENCE PROGRAM, SALARIES & SUPPORT | 372500 |
| SARA | WHITETAIL DEER STUDY, PHASE I | 29000 |
| WORI | LAND-USE BASE MAP | 7000 |
| * Subsubtotal * | | |
| | | 498400 |
| * YEAR: 86 | | |
| ACAD | INVESTIGATE VISITOR USE, PHASE II | 16500 |
| ACAD | THREAT/STATUS OF OTTERS, PHASE II | 11200 |
| ACAD | DEVELOP MATH FIRE FUEL MODEL | 7500 |
| ACAD | AIR QUALITY TRACE ELEMENTS | 4500 |
| CACO | POND LIMNOLOGY | 4000 |
| GATE/FIIS | COASTAL GEOMORPHOLOGY | 4500 |
| MORR | DEER ECOLOGY | 7000 |
| NARO | REGIONAL SCIENCE PROGRAM, SALARIES & SUPPORT | 328300 |

REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| SARA | WHITETAIL DEER STUDY, PHASE II | 26400 |
| XXXX | GRAMM-RUDMAN-HOLLINGS | 21664 |
| XXXX | WASO/NARO ASSESSMENTS | 72236 |
| * Subsubtotal * | | |
| | | 503800 |
| * YEAR: 87 | | |
| ACAD | INVESTIGATE VISITOR USE, PHASE III | 15000 |
| ACAD | CONSERVATION EASEMENT MONITORING PGM DESIGN | 20000 |
| ACAD | THREAT AND STATUS OF OTTER, PHASE III | 12000 |
| ACAD | INTERTIDAL MONITORING SYSTEM DEVELOPMENT | 18000 |
| FIIS | HEALTH RISK ASSESSMENT--LYME TICK DISEASE | 105854 |
| NARO | REGIONAL SCIENCE PROGRAM, SALARIES & SUPPORT | 332946 |
| * Subsubtotal * | | |
| | | 503800 |
| ** Subtotal ** | | |
| | | 1506000 |

** NATIONAL PARK SERVICE REGION: NCR

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| * YEAR: 85 | | |
| ? | LANDSCAPE AND FOREST TREE PATHOLOGY | 58500 |
| ? | INTEGRATED PEST MANAGEMENT | 44300 |
| ? | ECOLOGY & TECHNICAL EXOTIC PLANT MNGT BASE | 50100 |
| ? | DUTCH ELM DISEASE AND GYPSY MOTH MANAGEMENT | 27000 |
| ? | CHAR. & AMELIORATION OF SOIL COMPACTION | 16000 |
| ? | CHARACTERIZATION OF MAN-INFLUENCED SOILS | 7900 |
| ? | SOIL AERATION AND REDOX POTENTIAL | 9400 |
| ? | TURFGRASS CULTIVAR EVALUATIONS | 10500 |
| ? | AQUATIC ECOLOGY--STREAMS & MAN-MADE IMPOUNDMT | 28800 |
| ? | RACOON ECOLOGY AND DISTRIBUTION | 10300 |
| ? | SQUIRREL POPULATION MANAGEMENT | 4300 |
| ? | LANDSCAPE MAPPING AND TREE INVENTORY | 9500 |
| ? | DATA MANAGEMENT SUPPORT | 32700 |
| ? | TECHNICAL ASSISTANCE--WILDLIFE | 21100 |
| ? | TECHNICAL ASSISTANCE--SOILS AND AGRONOMY | 52100 |
| ? | TECHNICAL ASSISTANCE--ECOLOGICAL CONSULTANCY | 20400 |
| ? | TECHNICAL ASSISTANCE--SCIENCE MANAGEMENT | 25200 |
| ? | TECHNICAL ASSISTANCE--WATER RESOURCES | 17500 |
| ? | ADMINISTRATION | 52500 |
| * Subsubtotal * | | |
| | | 506800 |

## REGIONAL NATURAL SCIENCE PROGRAMS
## (1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| * YEAR: 86 | | |
| ? | LANDSCAPE AND FOREST TREE PATHOLOGY | 62900 |
| ? | INTEGRATED PEST MANAGEMENT | 46000 |
| ? | ECOLOGY & TECHNICAL EXOTIC PLANT MNGT BASE | 48900 |
| ? | DUTCH ELM DISEASE AND GYPSY MOTH MANAGEMENT | 25100 |
| ? | CHAR. & AMELIORATION OF SOIL COMPACTION | 16000 |
| ? | CHARACTERIZATION OF MAN-INFLUENCED SOILS | 8200 |
| ? | SOIL AERATION AND REDOX POTENTIAL | 8200 |
| ? | TURFGRASS CULTIVAR EVALUATIONS | 10500 |
| ? | AQUATIC ECOLOGY--STREAMS & MAN-MADE IMPOUNDMT | 30000 |
| ? | RACOON ECOLOGY AND DISTRIBUTION | 12700 |
| ? | SQUIRREL POPULATION MANAGEMENT | 4500 |
| ? | LANDSCAPE MAPPING AND TREE INVENTORY | 12000 |
| ? | DATA MANAGEMENT SUPPORT | 32000 |
| ? | TECHNICAL ASSISTANCE--WILDLIFE | 16800 |
| ? | TECHNICAL ASSISTANCE--SOILS AND AGRONOMY | 48400 |
| ? | TECHNICAL ASSISTANCE--ECOLOGICAL ASSISTANCE | 15300 |
| ? | TECHNICAL ASSISTANCE--SCIENCE MANAGEMENT | 20500 |
| ? | TECHNICAL ASSISTANCE--WATER RESOURCES | 12600 |
| ? | ADMINISTRATION | 52400 |
| XXXX | GRAMM-RUDMAN-HOLLINGS CUT | 22000 |
| * Subsubtotal * | | 522800 |
| * YEAR: 87 | | |
| ? | LANDSCAPE AND FOREST TREE PATHOLOGY | 62600 |
| ? | INTEGRATED PEST MANAGEMENT | 46000 |
| ? | ECOLOGY & TECHNICAL EXOTIC PLANT MNGT BASE | 50900 |
| ? | DUTCH ELM DISEASE AND GYPSY MOTH MANAGEMENT | 28700 |
| ? | CHAR. & AMELIORATION OF SOIL COMPACTION | 16500 |
| ? | CHARACTERIZATION OF MAN-INFLUENCED SOILS | 8400 |
| ? | SOIL AERATION AND REDOX POTENTIAL | 9400 |
| ? | TURFGRASS CULTIVAR EVALUATIONS | 12500 |
| ? | AQUATIC ECOLOGY--STREAMS & MAN-MADE IMPOUNDMT | 40000 |
| ? | RACOON ECOLOGY AND DISTRIBUTION | 8000 |
| ? | SQUIRREL POPULATION MANAGEMENT | 5200 |
| ? | LANDSCAPE MAPPING AND TREE INVENTORY | 12000 |
| ? | DATA MANAGEMENT SUPPORT | 32000 |
| ? | TECHNICAL ASSISTANCE--WILDLIFE | 16700 |
| ? | TECHNICAL ASSISTANCE--SOILS AND AGRONOMY | 43900 |
| ? | TECHNICAL ASSISTANCE--ECOLOGICAL CONSULTANCY | 16100 |
| ? | TECHNICAL ASSISTANCE--SCIENCE MANAGEMENT | 22900 |
| ? | | |

REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| [illegible] | TECHNICAL ASSISTANCE--WATER RESOURCES | 12900 |
| [illegible] | ADMINISTRATION | 55100 |
| * Subsubtotal * | | |
| ** Subtotal ** | | 522300 |
| | | 1512400 |
| ** NATIONAL PARK SERVICE REGION: PNWR | | |
| * YEAR: 85 | | |
| CPSU--OSU | SALARIES, OREGON STATE UNIVERSITY | 117700 |
| CPSU--OSU | SCIENCE RESEARCH PROJECT SUPPORT | 97900 |
| CPSU--OSU | CRATER LAKE LIMNOLOGY STUDY | 0 |
| CPSU--OSU | CHEMISTRY OF SELECTED LAKES, MOUNT RAINIER NP | 0 |
| CPSU--OSU | ECOLOGY OF MUNSON & DUTTON CREEKS, CRATER LAK | 0 |
| CPSU--OSU | GEOCHEMISTRY & PHYTOPLANKTON STUDIES, CRLA | 0 |
| CPSU--OSU | ELK STUDIES, PNW PARKS | 0 |
| CPSU--OSU | REVEGETATION STUDY, JOHN DAY NM | 0 |
| CPSU--OSU | HEAVY METALS & SULFUR IN FIR & LICHENS, MORA | 0 |
| CPSU--OSU | VEGETATION MNGT IN ARID PARKS OF PNW | 0 |
| CPSU--OSU | NPS ORGANIZATIONAL EMPLOYEE RESEARCH PROGRAM | 0 |
| CPSU--OSU | RECREATION PATTERNS AT WHISKEYTOWN NRA | 0 |
| CPSU--OSU | VISITOR SERVICES STUDY, CRATER LAKE NP | 0 |
| CPSU--OSU | PARK SCIENCE MANAZINE, READER SURVEY | 0 |
| CPSU--UID | SALARIES, UNIVERSITY OF IDAHO | 49900 |
| CPSU--UID | SCIENCE RESEARCH PROJECT SUPPORT | 54500 |
| CPSU--UID | MOUNTAIN GOAT REPROD & HABITAT USE, OLYM/NOCA | 0 |
| CPSU--UID | NATURAL RESOURCES DATA MANAGEMENT | 0 |
| CPSU--UID | GRIZZLY HABITAT, GLACIER NP | 0 |
| CPSU--UID | CERVID HABITAT, GLACIER NP | 0 |
| CPSU--UID | MOUNTAIN GOAT BEHAVIOR, GLACIER NP | 0 |
| CPSU--UID | PLANT SUCCESSION, CRATERS OF THE MOON NM | 0 |
| CPSU--UID | VISITOR SERVICES STUDY | 0 |
| CPSU--UID | STUDY OF INTERNATIONAL PARKS | 0 |
| CPSU--UWA | SALARIES--UNIVERSITY OF WASHINGTON | 87000 |
| CPSU--UWA | RESEARCH SCIENCE PROJECT SUPPORT | 51100 |
| CPSU--UWA | HISTORIC LANDSCAPE DESIGN, SAN JUAN IS. NHP | 0 |
| CPSU--UWA | NPS ORGANIZATIONAL BEHAVIOR STUDY | 0 |
| CPSU--UWA | BACKCOUNTRY USER ATT. & COMPLIANCE....RAINIER | 0 |
| CPSU--UWA | BACKCOUNTRY USERS SURVEY, GLACIER BAY NP | 0 |
| CPSU--UWA | GENERAL VISITOR SURVEY, MOUNT RAINIER NP | 0 |
| CPSU--UWA | ANALYSIS OF VISITATION DATA | 0 |
| CPSU-UID | NPS ORGANIZATIONAL BEHAVIOR STUDY | 0 |
| CPSU-UWA | FIRE ECOLOGY IN NORTH CASCADES NP | 0 |
| CPSU-UWA | ACID PREDIPITATION STUDY, OLYMPIC NP | 0 |
| CPSU-UWA | FIRE ECOLOGY, FORESTS OF PNW PARKS | 0 |
| CPSU-UWA | RARE & ENDANGERED PLANT STUDY--MOUNT RAINIER | 0 |

## REGIONAL NATURAL SCIENCE PROGRAMS
## (1985,1986,1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| CPSU-UWA | VEGETATION MAPPING, NORTH CASCADES NP | 0 |
| OLYM | RESEARCH SCIENTIST, SALARY & PROJECT SUPPORT | 71600 |
| OLYM | MOUNTAIN GOAD-DEMOGRAPHY | 0 |
| OLYM | ELK CENSUS TECHNIQUES | 0 |
| OLYM | USE OF SALMON CARCASSES BY TERRESTRIAL VERTS. | 0 |
| PNWRO | WRITER-EDITOR, PARK SCIENCE MAGAZINE | 56000 |
| PNWRO | RESEARCH NATURAL AREAS PROGRAM | 4000 |
| PNWRO | POPULATION GENETICS STUDY | 3000 |
| PNWRO | SCIENCE PROGRAM STAFF, SALARIES & SUPPORT | 122600 |
| * Subsubtotal * | | |
| | | 725300 |
| * YEAR: 86 | | |
| CPSU--OSU | SALARIES, OREGON STATE UNIVERSITY | 172100 |
| CPSU--OSU | SCIENCE RESEARCH PROJECT SUPPORT | 51200 |
| CPSU--OSU | ECOLOGY, MUNSON & DUTTON CREEKS, CRATER LAKE | 0 |
| CPSU--OSU | CRATER LAKE LIMNOLOGY STUDY | 0 |
| CPSU--OSU | CHEMISTRY OF SELECTED LAKES, MOUNT RAINIER NP | 0 |
| CPSU--OSU | ELK STUDIES IN PNW PARKS | 0 |
| CPSU--OSU | REVEGETATION STUDY, JOHN DAY NM | 0 |
| CPSU--OSU | HEAVY METALS STUDY, MOUNT RAINIER & OLYMPIC | 0 |
| CPSU--OSU | VEGETATION MANAGEMENT, ARID PARKS OF PNW | 0 |
| CPSU--OSU | VISITOR USE STUDY, WHISKEYTOWN NRA | 0 |
| CPSU--OSU | SOCIAL MAPPING, CRATER LAKE NP | 0 |
| CPSU--OSU | OREGON STATE VISITOR SURVEY | 0 |
| CPSU--OSU | NPS EMPLOYEE STUDY | 0 |
| CPSU--UID | SALARIES, UNIVERSITY OF IDAHO | 50300 |
| CPSU--UID | SCIENCE RESEARCH PROJECT SUPPORT | 42300 |
| CPSU--UID | FIRE ECOLOGY & BASELINE STUDIES, CRMO | 0 |
| CPSU--UID | MT GOAT REPROD & HABITAT USE, OLYM/NOCA | 0 |
| CPSU--UID | NATURAL RESOURCE DATA MANAGEMENT | 0 |
| CPSU--UID | PLANT SUCCESSION, CRATERS OF THE MOON NM | 0 |
| CPSU--UID | ELK STUDY, MOUNT RAINIER NP | 0 |
| CPSU--UID | VISITOR MAPPING NORTH CASCADES | 0 |
| CPSU--UID | VISITOR MAPPING, CRATER LAKE NP | 0 |
| CPSU--UID | VISITOR SERVICES EVALUATION | 0 |
| CPSU--UID | EMPLOYEE SURVEY | 0 |
| CPSU--UID | VISITOR SURVEY, NEZ PERCE NHS | 0 |
| CPSU--UWA | SALARIES, UNIVERSITY OF WASHINGTON | 89300 |
| CPSU--UWA | SCIENCE RESEARCH PROJECT SUPPORT | 51700 |
| CPSU--UWA | FIRE ECOLOGY IN NORTH CASCADES NP | 0 |
| CPSU--UWA | SUBALPINE FIRE | 0 |
| CPSU--UWA | FIRE ECOLOGY, SAN JUAN ISLAND NHP | 0 |
| CPSU--UWA | RARE AND ENDANGERED PLANT STUDY, MT. RAINIER | 0 |
| CPSU--UWA | FUELS, OREGON CAVES NM | 0 |
| CPSU--UWA | ACID PRECIPITATION STUDY, OLYMPIC NP | 0 |
| CPSU--UWA | MIXED CONIFER STUDY, CRATER LAKE NP | 0 |

## REGIONAL NATURAL SCIENCE PROGRAMS
(1985,1986,1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| CPSU--UWA | NPS ORGANIZATIONAL BEHAVIOR STUDY | 0 |
| CPSU--UWA | ANALYSIS OF VISITATION DATA | 0 |
| CPSU--UWA | VISITOR MAPPING, NORTH CASCADES | 0 |
| CPSU-UWA | WATER QUALITY OF LAKE CRESENT, OLYMPIC NP | 0 |
| CPSU-UWA | COMPLIANCE/VISITOR SURVEY, MOUNT RAINIER NP | 0 |
| OLYM | RESEARCH SCIENTIST, SALARY & PROJECT SUPPORT | 60700 |
| OLYM | MOUNTAIN GOAT DEMOGRAPHY | 0 |
| OLYM | ELK CENSUS TECHNIQUES | 0 |
| OLYM | USE OF SALMON CARCASSES BY TERRESTRIAL VERTS. | 0 |
| OLYM | FISHER SURVEY | 0 |
| PNWRO | WRITER-EDITOR, PARK SCIENCE MAGAZINE | 49000 |
| PNWRO | RESEARCH NATURAL AREAS PROGRAM | 4000 |
| PNWRO | POPULATION GENETICS STUDY | 5000 |
| PNWRO | SCIENCE STAFF, SALARIES & SUPPORT | 113100 |
| * Subsubtotal * | | |
| | | 694700 |
| * YEAR: 87 | | |
| CPSU--OSU | SALARIES, OREGON STATE UNIVERSITY | 172100 |
| CPSU--OSU | SCIENCE RESEARCH PROJECT SUPPORT | 61300 |
| CPSU--OSU | CRATER LAKE LIMNOLOGY STUDY | 0 |
| CPSU--OSU | GEOCHEMISTRY & PHYTOPLANKTON STUDIES, CRATER | 0 |
| CPSU--OSU | ELK STUDIES IN PNW NATIONAL PARKS | 0 |
| CPSU--OSU | REVEGETATION STUDY, JOHN DAY NM | 0 |
| CPSU--OSU | HEAVY METALS STUDY, MOUNT RAINIER & OLYMPIC | 0 |
| CPSU--OSU | VEGETATION MANAGEMENT, ARID PARKS OF PNW | 0 |
| CPSU--OSU | NPS EMPLOYEE STUDY | 0 |
| CPSU--OSU | VISITOR USE STUDIES | 0 |
| CPSU--OSU | RECREATION PATTERNS AT WHISKEYTOWN NRA | 0 |
| CPSU--UID | SALARIES, UNIVERSITY OF IDAHO CPSU | 50300 |
| CPSU--UID | SCIENCE RESEARCH PROJECT SUPPORT | 51300 |
| CPSU--UID | NATURAL RESOURCE DATA MANAGEMENT | 0 |
| CPSU--UID | FIRE ECOLOGY & BASELINE STUDIES, CRMO | 0 |
| CPSU--UID | ELK STUDY, MOUNT RAINIER NP | 0 |
| CPSU--UID | VISITOR SERVICES EVALUATION | 0 |
| CPSU--UID | EMPLOYEE SURVEY | 0 |
| CPSU--UID | VISITOR SURVEY, NEZ PERCE NHS | 0 |
| CPSU--UWA | SALARIES, UNIVERSITY OF WASHINGTON | 89300 |
| CPSU--UWA | SCIENCE RESEARCH PROJECT SUPPORT | 60800 |
| CPSU--UWA | NPS ORGANIZATIONAL BEHAVIOR STUDY | 0 |
| CPSU--UWA | ANALYSIS OF VISITATION DATA | 0 |
| CPSU--UWA | GENERAL VISITOR SURVEYS | 0 |
| CPSU--UWA | SUBALPINE FIRE STUDY | 0 |
| CPSU--UWA | FIRE ECOLOGY, SAN JUAN ISLAND NHP | 0 |
| CPSU--UWA | FUELS, OREGON CAVES NM | 0 |
| CPSU--UWA | ACID PRECIPITATION STUDY, OLYMPIC NP | 0 |
| CPSU--UWA | MIXED CONIFER STUDY, CRATER LAKE NP | 0 |

## REGIONAL NATURAL SCIENCE PROGRAMS
## (1985,1986,1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| OLYM | RESEARCH SCIENTIST, SALARY & PROJECT SUPPORT | 70700 |
| OLYM | MOUNTAIN GOAT DEMOGRAPHY | 0 |
| OLYM | ELK CENSUS TECHNIQUES | 0 |
| OLYM | USE OF SALMON CARCASSES BY TERRESTRIAL VERTS. | 0 |
| PNWRO | WRITER-EDITOR, PARK SCIENCE MAGAZINE | 49000 |
| PNWRO | RESEARCH NATURAL AREAS PROGRAM | 4000 |
| PNWRO | POPULATION GENETICS STUDY | 5000 |
| PNWRO | SCIENCE STAFF, SALARIES & SUPPORT | 119100 |
| * Subsubtotal * | | |
| | | 732900 |
| ** Subtotal ** | | |
| | | 2152300 |

** NATIONAL PARK SERVICE REGION: RMR

* YEAR: 85

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| BADL | SOIL SURVEY (SCS) | 16575 |
| BEOL | WEED CONTROL | 475 |
| BICA | CAVE RESEARCH SUPPORT | 1000 |
| CANY | NUCLEAR WASTE REPOSITORY STUDY | 10000 |
| CARE | CATTLE IMPACTS ON CULTURAL RESOURCES | 20000 |
| CARE | GRAZING PHASEOUT | 2376 |
| CARE | BIGHORN SHEEP MONITORING | 8000 |
| CPSU-UWY | GRTE-DISTURBED SITES RESTORATION PLAN | 14641 |
| CPSU-UWY | THRO-ELK REINTRODUCTION STUDY | 13154 |
| CPSU-UWY | YELL-RIPARIAN VEGETATION | 13701 |
| CPSU-UWY | UW-NPS RESEARCH CENTER ADMINISTRATIVE SUPPORT | 16000 |
| CPSU-UWY | ROMO-NUTCRACKER FEEDING IMPACTS | 5265 |
| CPSU-UWY | CUST-EFFECTS OF FIRE ON MIXED GRASSLAND | 13219 |
| CPSU-UWY | BADL-FIRE ECOLOGY | 9320 |
| CPSU-UWY | YELL-HEAVY METAL CONTAMINATION | 14000 |
| CPSU-UWY | GRTE,YELL.GLAC-EXOTIC PLANTS | 9252 |
| CPSU-UWY | JECA,WICA-HYDROLOGIC STUDY | 13498 |
| CPSU-UWY | ROMO-EFFECTS OF B. TROUT ON CUTTHROAT TROUT | 15000 |
| DINO | COTTONWOOD REGENERATION | 6300 |
| GLAC | COLM | 30045 |
| GLAC | GRIZZLY RESEARCH | 5000 |
| GLAC | FISHERIES INVESTIGATIONS | 10000 |
| GRTE | IRRIGATION DITCH REPAIR | 27000 |
| MWAC | MIDWEST ARCHEOLOGICAL CENTER SUPPORT | 20000 |
| RMRO | REGIONAL OFFICE SUPPORT | 21711 |
| RMRO | REGIONAL OFFICE PERSONNEL & SUPPORT COSTS | 204000 |
| ROMO | FISHERIES INVESTIGATIONS | 10000 |
| ROMO | SCIENTIST SUPPORT | 8000 |
| THRO | ELK REINTRODUCTION | 11437 |

## REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| YELL | FISHERIES INVESTIGATIONS | 25000 |
| YELL | FIRE MANAGEMENT PLAN | 10000 |
| * Subsubtotal * | | |
| | | 584000 |
| * YEAR: 86 | | |
| CARE | IMPACTS OF GRAZING ON THE WATERPOCKETS | 16000 |
| CARE | BIGHORN SHEEP MONITORING | 8000 |
| COLM | ENVIRONMENTAL RESTORATION | 10000 |
| CPSU-UWY | UWY-NPS RESEARCH CENTER ADMIN. SUPPORT | 25000 |
| CPSU-UWY | BRCA-PLANT COMMUNITIES | 13500 |
| CPSU-UWY | CUST-EFFECTS OF FIRE ON GRASSLANDS | 13725 |
| CPSU-UWY | GRTE, GLAC-EXOTIC PLANTS | 10456 |
| CPSU-UWY | JECA, WICA-HYDROLOGY | 13771 |
| CPSU-UWY | THRO-ECOLOGY OF INTRODUCED ELK HERD | 13812 |
| CPSU-UWY | CUST-ORAL HISTORY OF BATTLE OF LITTLE BIGHORN | 2455 |
| CPSU-UWY | YELL-ECOLOGY OF RIPARIAN VEGETATION | 13755 |
| CPSU-UWY | BADL-EFFECT OF FIRE ON GRASSES | 9580 |
| CPSU-UWY | ARCH-ECOLOGY OF DESERT BIGHORN | 12200 |
| CPSU-UWY | CARE-VEGETATIVE COMMUNITY IDENTIFICATION | 13390 |
| CPSU-UWY | BLCA-ANALYSIS OF RELICT PLANT COMMUNITIES | 13728 |
| CPSU-UWY | THRO-BROPHYTES AND AIR QUALITY | 13781 |
| CPSU-UWY | YELL-SEDIMENTATION RATES IN LAKES AND PONDS | 13773 |
| CPSU-UWY | KNRI-SURVEY OF RESIDENT VERTEBRATES | 10611 |
| DINO | IPM FOR MORMON CRICKET | 32000 |
| DINO | PEREGRINE FALCON RECOVERY | 21000 |
| GLAC | FISHERIES INVESTIGATIONS | 10000 |
| MWAC | SUPPORT-MIDWEST ARCHEOLOGICAL CENTER | 20000 |
| RMRO | PEREGRINE FALCON RECOVERY TEAM SUPPORT | 1000 |
| RMRO | DSC GRAPHICS PRODUCTION | 3000 |
| RMRO | SUPPORT FOR PARK SCIENCE MAGAZINE | 2800 |
| RMRO | MISCELLANEOUS PUBLICATION COSTS | 5000 |
| RMRO | REGIONAL STAFF AND SUPPORT COSTS | 253047 |
| ROMO | NUTCRACKER FEEDING IMPACTS | 5300 |
| ROMO | TROUT STUDY | 10000 |
| ROMO | SCIENTIST SUPPORT | 8000 |
| WICA | BRUCELLOSIS ERADICATION | 17000 |
| XXX | GRAMM-RUDMAN-HOLLINGS CUT | 28600 |
| YELL | FISHERIES INVESTIGATIONS | 25000 |
| * Subsubtotal * | | |
| | | 575500 |
| * YEAR: 87 | | |
| ARCH | ECOLOGY OF DESERT BIGHORN | 12200 |
| ARCH | INFORMATION BASELINE | 5000 |
| BLCA | VEGETATION, SOILS MANAGEMENT | 10000 |
| BRCA | NATURAL RESOURCE BASIC INVENTORY | 15000 |

## REGIONAL NATURAL SCIENCE PROGRAMS
## (1985,1986,1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| CANY | EXTERNAL ISSUES AFFECTION PARK RESOURCES | 22000 |
| CANY | RARE, ENDANGERED, UNIQUE WILDLIFE | 17600 |
| CANY | DESERT BIGHORN SHEEP | 20200 |
| CARE | IMPACTS OF GRAZING ON THE WATERPOCKETS | 16000 |
| CARE | LIVESTOCK IMPACTS AND WATERPOCKETS | 10000 |
| CARE | SOIL SURVEY, MAPS AND CHARACTER | 10000 |
| CARE | SOCIOECONOMIC IMPACT OF GRAZING PHASEOUT | 10500 |
| CEBR | PIKA POPULATION AND STATUS | 15000 |
| CURE | PRAIRIE DOG MANAGEMENT | 10400 |
| DINO | NON-QUARRY FOSSIL MANAGEMENT | 97600 |
| GRTE | GRIZZLY BEAR | 300 |
| GRTE | BALD EAGLE STUDY | 3900 |
| GRTE | DOMESTIC LIVESTOCK GRAZING STUDY | 51300 |
| GRTE | PEREGRINE FALCON | 6600 |
| GRTE | EXOTIC PLANTS | 10500 |
| JECA/WICA | HYDROLOGY | 13800 |
| RMRO | STAFF AND MISCELLANEOUS RELATED COSTS | 253000 |
| ROMO | ELK MANAGEMENT | 20000 |
| THRO | BRYOPHYTES AND AIR QUALITY | 13800 |
| THRO | EXOTIC PLANTS CONTROL | 15000 |
| YELL | SEDIMENTATION RATES IN LAKES AND PONDS | 13800 |
| * Subsubtotal * | | |
| | | 576500 |
| ** Subtotal ** | | |
| | | 1937000 |

** NATIONAL PARK SERVICE REGION: SER

* YEAR: 85

| | | |
|---|---|---|
| BICY | RESEARCH BIOLOGIST | 30000 |
| BICY | FIRE ECOLOGY & PRESCRIPTIONS | 16000 |
| BICY | ORV TRAIL RECOVERY | 12000 |
| BICY | FLORIDA PANTHER RESEARCH | 20000 |
| BISC | RESEARCH OCEANOGRAPHER | 45700 |
| CAHA | GEOGRAPHIC INFORMATION SYSTEM | 13000 |
| CAHA | OREGON INLET STUDY | 18500 |
| CALO | SEA TURTLE NEST PROTECTION | 6300 |
| CALO | GEOGRAPHIC INFORMATION SYSTEM | 3000 |
| CHAT | DREDGING IMPACTS STUDY | 6185 |
| COSW | RESOURCE MANAGEMENT TRAINEE | 25000 |
| CPSU-CLEMSON | RESEARCH SOCIOLOGIST | 44600 |
| CPSU-CLEMSON | SUPPORT | 15000 |
| CPSU-CLEMSON | ASSESSING THREATS & CONFLICT MANAGEMENT, COSW | 8980 |
| CPSU-CLEMSON | DEV. OF REGIONAL & PARK RES. MNGT PLANS | 9685 |
| CPSU-UGA | RESEARCH BIOLOGIST | 35000 |
| CPSU-UGA | SUPPORT | 33455 |

## REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| CPSU-UGA | FIRE ECOLOGY OF SE SEASHORES | 16250 |
| CPSU-UGA | EFFECTS OF GRAZING & CUIS ECOSYSTEM DYNAMICS | 5910 |
| CPSU-UGA | VEGETATION HISTORY, CAHA | 33294 |
| CPSU-UGA | FERAL HOGS,CUIS-FOOD, HABITAT, ENDOPARASITES | 16280 |
| CUIS | LABORATORY | 8000 |
| GRSM | RESEARCH SCIENTISTS | 85000 |
| GRSM | BROOK TROUT HABITAT CHARACTERIZATION | 6000 |
| GRSM | HOG BAITING & ERADICATION STUDIES | 35000 |
| GRSM | WHITE-TAILED DEER HEMORR-AGIC DISEASES | 12000 |
| GRSM | FIRE FUEL INVENTORY & DISTURBANCE HISTORY | 15000 |
| GRSM | VEGETATION MAPPING | 11000 |
| GRSM | AIR QUALITY MONITORING | 15000 |
| GRSM | VISITOR USE PATTERNS & EXPENDITURES | 13000 |
| GRSM | VISITOR BEHAVIOR IN HAZARDOUS AREAS | 3000 |
| GRSM | AIR POLLUTION EFFECTS ON SPRUCE-FIR FORESTS | 20000 |
| GUIS | RESEARCH BIOLOGIST | 31500 |
| GUIS | MAMMAL STUDY | 30000 |
| MACA | HYDROLOGIST | 47500 |
| MACA | KENTUCKY CAVE SHRIMP RESEARCH | 10000 |
| MACA | CAVE CARTOGRAPHY | 3000 |
| MACA | HYDROLOGY STUDIES | 10000 |
| MACA | CAVE RESTORATION | 5000 |
| SERO | SALARIES & SUPPORT | 241400 |
| SHIL | TRAILS IMPACTS STUDY | 1750 |
| SOCIOLOGY | RESEARCH SOCIOLOGIST | 52600 |
| SOCIOLOGY | SUPPORT | 3000 |
| SOCIOLOGY | BLUE RIDGE VEGETATION STUDIES | 2500 |
| SOCIOLOGY | ANALYSIS AND REVIEW OF AESTHETIC RESULTS | 2000 |
| SOCIOLOGY | EVALUATION OF HORSEBACK TRAIL USE, BISO | 10000 |
| SOCIOLOGY | BENEFITS OF BLUE RIDGE | 5000 |
| SOCIOLOGY | VISITOR USE-PHASE I | 10000 |
| SOCIOLOGY | STRATEGIC PLANNING PILOT | 10000 |
| VIIS | RESEARCH BIOLOGIST | 32800 |
| * Subsubtotal * | | |
| | | 1146000 |
| * YEAR: 85 | | |
| BICY | RESEARCH BIOLOGIST | 30000 |
| BICY | FIRE ECOLOGY & PRESCRIPTIONS | 24000 |
| BICY | WADING BIRDS SURVEY | 6000 |
| BISC | RESEARCH OCEANOGRAPHER | 45700 |
| BLRI | VEGETATION MANAGEMENT | 2500 |
| BLRI | EFFECTS OF PRESCRIPTION BURNS | 10500 |
| BLRI | FISHERIES MANAGEMENT PLAN | 5000 |
| BLRI | VEGETATION MANAGEMENT | 5000 |
| BUIS | STUDY MARINE ORGANISMS POPULATIONS | 6000 |
| CALO | SEA TURTLE NEST PROTECTION | 6300 |

## REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| CALO | MARINE TURTLES STUDY | 5000 |
| CALO | NUTRIA STUDY | 25000 |
| CANA | SEA TURTLES | 30000 |
| CPSU-CLEMSON | RESEARCH SOCIOLOGIST | 44600 |
| CPSU-CLEMSON | SUPPORT | 15000 |
| CPSU-CLEMSON | PROFESSIONALIZATION OF RESOURCE MNGT PLANS | 20000 |
| CPSU-CLEMSON | SAND DREDGING STUDY | 10000 |
| CPSU-UGA | RESEARCH BIOLOGIST | 35000 |
| CPSU-UGA | SUPPORT | 31500 |
| CPSU-UGA | VISITOR USE PATTERNS AT CUIS | 8900 |
| CPSU-UGA | CRAGGY GARDENS LANDSCAPE MANAGEMENT AT BLRI | 10450 |
| CPSU-UGA | GRAZING IMPACTS ON CUIS | 36650 |
| CUIS | EROSION STUDY | 1500 |
| CUIS | VISITOR IMPACTS | 2000 |
| CUIS | ENDANGERED & THREATENED SPECIES | 3000 |
| GRSM | RESEARCH SCIENTISTS | 103000 |
| GRSM | VEGETATION MAPPING | 6000 |
| GRSM | AIR QUALITY MONITORING | 10000 |
| GRSM | SUPPORT | 30000 |
| GRSM | AQUATIC ECOLOGY | 1000 |
| GRSM | PLANT ECOLOGY | 25000 |
| GRSM | SOCIOLOGY STUDY | 18000 |
| GRSM | WILDLIFE STUDIES | 12000 |
| GUIS | RESEARCH BIOLOGIST | 31500 |
| MACA | HYDROLOGIST | 47500 |
| MACA | HYDROLOGY STUDIES | 9600 |
| MACA | CAVE RESTORATION | 6000 |
| SERO | SALARIES AND SUPPORT | 215600 |
| SHIL | TRAILS STUDY | 2300 |
| SOCIOLOGY | RESEARCH SOCIOLOGIST | 52600 |
| SOCIOLOGY | SUPPORT | 1500 |
| SOCIOLOGY | ECONOMIC IMPACTS, BLRI | 10000 |
| SOCIOLOGY | RECREATIONAL RESEARCH | 8500 |
| VIIS | RESEARCH BIOLOGIST | 30800 |
| VIIS | SUPPORT | 30000 |
| XXXX | WASO/SERO ASSESSMENTS | 14500 |
| XXXX | GRAMM-RUDMAN-HOLLINGS | 43000 |
| * Subsubtotal * | | |
| | | 1135100 |
| * YEAR: 87 | | |
| SERO | PROJECT LIST FOR FY1987 NOT YET FINALIZED | 1135600 |
| * Subsubtotal * | | |
| | | 1135600 |
| ** Subtotal ** | | |
| | | 3416700 |

## REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| ** NATIONAL PARK SERVICE REGION: SWR | | |
| * YEAR: 85 | | |
| BAND | BURRO STUDY | 2400 |
| BAND | FIRE TRANSECTS | 11000 |
| BAND | BALD EAGLE STUDY | 2000 |
| BEBE.CACA.GUMO | PEREGRINE FALCON STUDY | 16300 |
| CACA | BAT STUDY: CARLSBAD CAVERNS | 34000 |
| CACH | GEOMORPHIC CHANGES STUDY | 1500 |
| CPSU-TA&M | TEXAS A&M--SALARIES & SUPPORT FOR CPSU | 60600 |
| JELA | INTEGRATED PEST MANAGEMENT | 20000 |
| LAMR | RESOURCE PROTECTION SIGNING | 1400 |
| LYJO | LIVE OAK WILD STUDY | 1500 |
| PAIS | VISITOR STUDY | 9500 |
| PECO | VEGETATION MANAGEMENT | 3000 |
| PECO | VEGETATION MANAGEMENT | 3000 |
| SWRO | REGIONAL SCIENCE STAFF, SALARIES & BENEFITS | 238600 |
| SWRO | REGIONAL OFFICE, SUPPORT COSTS | 32100 |
| SWRO | PEST MANAGEMENT | 4000 |
| WHSA | ORYX REMOVAL | 3000 |
| WUPA | HISTORIC VEGETATION CHANGES | 6000 |
| * Subsubtotal * | | |
| | | 449900 |
| * YEAR: 86 | | |
| BIBE | MONITOR PEREGRINE FALCONS | 5500 |
| BIBE | MONITOR MOUNTAIN LIONS | 2000 |
| BIBE | MOUNTAIN LION CONTRACT | 30500 |
| CACA | REHABILITATE RESEARCH FACILITY | 5000 |
| CPSU--TA&M | TEXAS A&M--SALARIES & SUPPORT FOR CPSU | 62500 |
| GUMO | MONITOR PEREGRINE FALCONS | 2500 |
| PAIS | VISITOR USE STUDY | 14500 |
| PAIS | TURTLE RELOCATION | 7000 |
| PAIS | TURTLE MONITORING | 15000 |
| PAIS | BEACH TEMPERATURE MONITORING | 15000 |
| SWRO | FUNDING FOR PARK SCIENCE MAGAZINE | 2800 |
| SWRO | REGIONAL SCIENCE STAFF, SALARIES & BENEFITS | 225000 |
| SWRO | REGIONAL SCIENCE STAFF SUPPORT COSTS | 40600 |
| WHSA | ORYX REMOVAL | 2000 |
| XXXX | GRAMM-RUDMAN-HOLLINGS CUT | 19600 |
| * Subsubtotal * | | |
| | | 454700 |
| * YEAR: 87 | | |
| BAND | BURRO MANAGEMENT | 5000 |
| BAND.BIBE.GUMO | PESTICIDE ANALYSIS | 10000 |
| BITH | WATER QUALITY STUDY | 12000 |

## REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| BUFF | WATER QUALITY STUDY | 11500 |
| CACA,BIBE,BUFF | BAT STATUS AND MONITORING | 29000 |
| CPSU--TA&M | TEXAS A&M--SALARIES & SUPPORT FOR CPSU | 60600 |
| JELA | WATER QUALITY STUDY | 14500 |
| PAIS | ENDANGERED TURTLE MONITORING | 30000 |
| SWRO | REGIONAL OFFICE SCIENCE STAFF, SALARIES | 229000 |
| SWRO | REGIONAL SCIENCE STAFF SUPPORT COSTS | 35300 |
| SWRO | SUPPORT FOR PARK SCIENCE MAGAZINE | 2800 |
| SWRO | ENDANGERED SPECIES COMPLIANCE | 5000 |
| SWRO | TALL GRASS PRAIRIE-LAND SAT IMAGERY/INVENTORY | 5000 |
| WHSA | ORYX MONITORING | 5000 |
| * Subsubtotal * | | 454700 |
| ** Subtotal ** | | 1359300 |

** NATIONAL PARK SERVICE REGION: WR

| * YEAR: 85 | | |
|---|---|---|
| CHIR | ENDANGERED SPECIES | 16683 |
| CHIS | KELP FOREST DYNAMICS | 79755 |
| CHIS | OCEANOGRAPHIC STUDY | 6116 |
| CHIS | LANDBIRD DYNAMICS | 10245 |
| CHIS | TERRESTRIAL VEGETATION STUDY | 51969 |
| CHIS | ENDANGERED SPECIES STUDY | 2523 |
| CHIS | WEATHER MONITORING | 5047 |
| CHIS | ISLAND NIGHT LIZARD ECOLOGY | 11505 |
| CHIS | TERRESTRIAL VERTEBRATE STUDY | 37037 |
| CHIS | TERRESTRIAL INVERTEBRATE STUDY | 631 |
| CHIS | SANTA BARBARA ISLAND SOILS | 3226 |
| CHIS | RESEARCH ADMINISTRATION | 55731 |
| CPSU-UAZ | OPERATIONS,UNIVERSITY OF ARIZONA | 6100 |
| CPSU-UCAL | OPERATIONS, UNIVERSITY OF CALIFORNIA | 59166 |
| CPSU-UHA | OPERATIONS, UNIVERSITY OF HAWAII | 74400 |
| CPSU-UNV | OPERATIONS, UNIVERSITY OF NEVADA | 5225 |
| DEVA | BIGHORN ECOLOGY | 45768 |
| DEVA | BIGHORN-BURRO INTERACTIONS | 8181 |
| DEVA | VEGETATIONAL RECOVERY STUDY | 8181 |
| DEVA | RESEARCH ADMINISTRATION | 15000 |
| GRCA | COLORADO RIVER SIMULATION MODEL | 15705 |
| GRCA | COLORADO RIVER ACCIDENTS SURVEY | 7853 |
| GRCA | BACKCOUNTRY USER SURVEY | 36455 |
| GRCA | ARCHEOLOGY STUDIES | 51183 |
| GRCA | AVIAN RESOURCES STUDY | 4285 |
| GRCA | RESEARCH ADMINISTRATION | 30500 |
| HALE | DRY FOREST SURVEY | 1800 |

## REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| HALE | MAMANE BIOLOGY | 4366 |
| HALE | STATUS OF NATIVE FLORA | 9399 |
| HALE | VEGETATION DYNAMICS | 31329 |
| HALE | KIPAHULU RESOURCES INVENTORY | 5460 |
| HALE | RESEARCH ADMINISTRATION | 15663 |
| HAVO | AVIAN DISEASE STUDY | 2538 |
| HAVO | BIOCONTROL OF ALIEN PLANTS | 60826 |
| HAVO | CHEMICAL CONTROL OF ALIEN PLANTS | 6076 |
| HAVO | PLANT DISEASE INVESTIGATIONS | 6079 |
| HAVO | FERAL PIG CONTROL | 89255 |
| HAVO | NENE STUDY | 3412 |
| HAVO | RESEARCH ADMINISTRATION | 12965 |
| LAME | OFF-ROAD VEHICLE IMPACTS | 6826 |
| LAME | BIGHORN MODEL DEVELOPMENT | 4090 |
| LAME | BIGHORN POPULATION STUDY | 4092 |
| LAME | RESEARCH ADMINISTRATION | 15000 |
| ORPI | QUITOBAQUITO MANAGEMENT PLAN | 54495 |
| ORPI | FAUNA/WATER RELATIONSHIPS | 12858 |
| ORPI | RESEARCH ADMINISTRATION | 10000 |
| PINN | FERAL PIG CONTROL STUDY | 19253 |
| PINN | VEGETATION STUDY | 8334 |
| PINN | SMALL MAMMALS STUDY | 5732 |
| PORE | MOUNTAIN BEAVER ECOLOGY | 2866 |
| PORE | ESTERO POLLUTION STUDY | 2866 |
| PORE | BRANT DYNAMICS | 2866 |
| PORE | ENDANGERED SPECIES INVENTORY | 5732 |
| PORE | RESEARCH ADMINISTRATION | 25125 |
| REDW | OLD GROWTH FOREST ECOLOGY | 15693 |
| REDW | SECOND GROWTH FOREST ECOLOGY | 39287 |
| REDW | RESEARCH ADMINISTRATION | 13378 |
| SAGU | LD-50 FIRE PRESCRIPTION | 20632 |
| SAGU | RESOURCE BIBLIOGRAPHY | 8666 |
| SAGU | HUMAN IMPACT STUDY | 36056 |
| SEQU | MARMOT CONTROL STUDY | 15405 |
| SEQU | ACID PRECIPITATION STUDY | 58661 |
| SEQU | CHAPARRAL BIOMASS/FIRE ECOLOGY | 10245 |
| SEQU | GEOGRAPHIC INFORMATION SYSTEM | 46400 |
| SEQU | BLACK BEAR ECOLOGY | 4572 |
| SEQU | RESEARCH ADMINISTRATION | 41613 |
| WHIS | CARRYING CAPACITY STUDY | 35538 |
| WRO | BOUNDRY EFFECTS STUDY | 19510 |
| WRO | POPULATIONS MANAGEMENT GUIDELINES | 41340 |
| WRO | ISLAND BIOGEOGRAPHIC STUDY | 2538 |
| WRO | RIPARIAN CONFERENCE | 11057 |
| WRO | HAWAIIAN ECOSYSTEMS SYMPOSIUM | 6960 |
| WRO | RESEARCH ADMINISTRATION--ARIZONA | 29152 |
| WRO | RESEARCH ADMINISTRATION--CALIFORNIA | 49359 |

## REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| WRO | RESEARCH ADMINISTRATION--HAWAII | 18236 |
| WRO | RESEARCH ADMINISTRATION--NEVADA | 17693 |
| WRO | LABORATORY MAINTENANCE | 5250 |
| WRO | WESTERN REGION ADMINISTRATION | 160730 |
| WRO | RESEARCH ADMINISTRATION--WACO | 14000 |
| WRO | SUPPORT FOR PARK SCIENCE MAGAZINE | 2600 |
| YOSE | GEOGRAPHIC INFORMATION SYSTEM | 46992 |
| YOSE | FIRE ECOLOGY | 3940 |
| YOSE | BACKCOUNTRY CARRYING CAPACITY | 4670 |
| YOSE | RESEARCH ADMINISTRATION | 40059 |
| * Subsubtotal * | | |
| | | 1912329 |
| * YEAR: 86 | | |
| CHIR | ENDANGERED SPECIES | 18400 |
| CHIS | KELP FOREST DYNAMICS | 87016 |
| CHIS | LANDBIRD DYNAMICS | 14067 |
| CHIS | TERRESTRIAL VEGETATION STUDY | 52189 |
| CHIS | ENDANGERED SPECIES STUDY | 2465 |
| CHIS | ISLAND NIGHT LIZARD ECOLOGY | 5270 |
| CHIS | TERRESTRIAL VERTEBRATE ECOLOGY | 28969 |
| CHIS | TERRESTRIAL INVERTEBRATE STUDY | 18302 |
| CHIS | RESEARCH ADMINISTRATION | 65129 |
| CPSU-UAZ | OPERATIONS, UNIVERSITY OF ARIZONA | 3133 |
| CPSU-UCAL | OPERATIONS, UNIVERSITY OF CALIFORNIA | 33489 |
| CPSU-UHA | OPERATIONS, UNIVERSITY OF HAWAII | 73611 |
| CPSU-UNV | OPERATIONS, UNIVERSITY OF NEVADA | 4450 |
| DEVA | BIGHORN ECOLOGY | 16736 |
| DEVA | BIGHORN-BURRO INTERACTIONS | 3848 |
| DEVA | VEGETATIONAL RECOVERY STUDY | 7692 |
| DEVA | RESEARCH ADMINISTRATION | 15000 |
| GRCA | COLORADO RIVER SUMULATION MODEL | 7519 |
| GRCA | COLORADO RIVER ACCIDENTS SURVEY | 3760 |
| GRCA | BACKCOUNTRY USER SURVEY | 27975 |
| GRCA | ARCHEOLOGY STUDIES | 53595 |
| GRCA | VISITOR COMMUNICATIONS STUDY | 4700 |
| GRCA | RESEARCH ADMINISTRATION | 33000 |
| HALE | DRY FOREST SURVEY | 2500 |
| HALE | MAMANE BIOLOGY | 2500 |
| HALE | STATUS OF NATIVE FLORA | 7500 |
| HALE | VEGETATION DYNAMICS | 75500 |
| HALE | KIPAHULU RESOURCES INVENTORY | 4206 |
| HALE | FERAL PIG CONTROL | 7014 |
| HALE | RESEARCH ADMINISTRATION | 12500 |
| HAVO | AVIAN DISEASE STUDY | 3897 |
| HAVO | BIOCONTROL OF ALIEN PLANTS | 20642 |
| HAVO | CHEMICAL CONTROL OF ALIEN PLANTS | 6337 |

## REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| HAVO | PLANT DISEASE INVESTIGATIONS | 12673 |
| HAVO | FERAL PIG CONTROL | 35071 |
| HAVO | NENE STUDY | 2104 |
| HAVO | RESEARCH ADMINISTRATION | 14730 |
| LAME | BIGHORN MODEL DEVELOPMENT | 2300 |
| LAME | BIGHORN POPULATION STUDY | 26279 |
| LAME | RESEARCH ADMINISTRATION | 15000 |
| ORPI | QUITOBAQUITO MANAGEMENT PLAN | 82241 |
| ORPI | RESEARCH ADMINISTRATION | 15500 |
| PINN | FERAL PIG CONTROL STUDY | 18476 |
| PINN | SMALL MAMMALS STUDY | 14024 |
| PORE | MOUNTAIN BEAVER ECOLOGY | 5270 |
| PORE | BRANT DYNAMICS | 2635 |
| PORE | OLEMA CREEK EROSION STUDY | 45000 |
| PORE | RESEARCH ADMINISTRATION | 25914 |
| REDW | PRAIRIES AND VEGETATION STUDY | 10454 |
| REDW | OLD GROWTH FOREST ECOLOGY | 5232 |
| REDW | SECOND GROWTH FOREST ECOLOGY | 40697 |
| REDW | RESEARCH ADMINISTRATION | 20929 |
| SAGU | HUMAN IMPACT STUDY | 13400 |
| SEQU | ACID PRECIPITATION STUDY | 33869 |
| SEQU | CHAPARRAL BIOMASS/FIRE ECOLOGY | 6194 |
| SEQU | GEOGRAPHIC INFORMATION SYSTEM | 60624 |
| SEQU | BLACK BEAR ECOLOGY STUDY | 3037 |
| SEQU | WILDERNESS IMPACTS STUDY | 6194 |
| SEQU | RESEARCH ADMINISTRATION | 56943 |
| WHIS | CARRYING CAPACITY STUDY | 3340 |
| WRO | BOUNDARY EFFECTS STUDY | 31267 |
| WRO | POPULATIONS MANAGEMENT GUIDELINES | 39722 |
| WRO | ISLAND BIOGEOGRAPHIC STUDY | 3340 |
| WRO | HAWAIIAN ECOSYSTEMS SYMPOSIUM | 7014 |
| WRO | DEER/MILL CREEK WILD RIVER STUDY | 2783 |
| WRO | RESEARCH ADMINISTRATION | 30311 |
| WRO | RESEARCH ADMINISTRATION--CALIFORNIA | 40543 |
| WRO | RESEARCH ADMINISTRATION--HAWAII | 20515 |
| WRO | RESEARCH ADMINISTRATION--NEVADA | 10970 |
| WRO | WESTERN REGION ADMINISTRATION | 206374 |
| WRO | RESEARCH ADMINISTRATION--WACC | 14000 |
| WRO | SUPPORT FOR PARK SCIENCE MAGAZINE | 2800 |
| WRO | MISC. RESOURCES MANAGEMENT PROJECTS | 50000 |
| XXXX | GRAMM-RUDMAN-HOLLINGS CUT | 92000 |
| XXXX | WASO/WRO ASSESSMENTS | 25600 |
| YOSE | GREAT GRAY OWL STUDY | 5567 |
| YOSE | GEOGRAPHIC INFORMATION SYSTEMS | 67192 |
| YOSE | FIRE ECOLOGY | 9220 |
| YOSE | BACKCOUNTRY CARRYING CAPACITY | 4512 |

## REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| YOSE | BIGHORN MONITORING | 52728 |
| YOSE | RESEARCH ADMINISTRATION | 27659 |
| * Subsubtotal * | | |
| | | 2142300 |
| * YEAR: 87 | | |
| CHIS | KELP FOREST DYNAMICS | 28618 |
| CHIS | LANDBIRD DYNAMICS | 5567 |
| CHIS | TERRESTRIAL VEGETATION STUDY | 52189 |
| CHIS | ENDANGERED SPECIES STUDY | 2465 |
| CHIS | ISLAND NIGHT LIZARD ECOLOGY | 1317 |
| CHIS | TERRESTRIAL VERTEBRATE STUDY | 15300 |
| CHIS | TERRESTRIAL INVERTEBRATE STUDY | 24667 |
| CHIS | BLACK RAT ERADICATION STUDY | 21000 |
| CHIS | RESEARCH ADMINISTRATION | 65129 |
| CPSU-UAZ | OPERATIONS, UNIVERSITY OF ARIZONA | 3133 |
| CPSU-UCAL | OPERATIONS, UNIVERSITY OF CALIFORNIA | 33483 |
| CPSU-UHA | OPERATIONS, UNIVERSITY OF HAWAII | 76555 |
| CPSU-UNV | OPERATIONS, UNIVERSITY OF NEVADA | 4539 |
| DEVA | BIGHORN ECOLOGY | 25755 |
| DEVA | BIGHORN-BURRO INTERACTIONS | 3848 |
| DEVA | VEGETATIONAL RECOVERY STUDY | 7692 |
| DEVA | VEGETATION INVENTORY | 14000 |
| SOGA | FERAL SWINE MONITORING | 42400 |
| GRCA | ARCHEOLOGY STUDIES | 53535 |
| GRCA | RESEARCH ADMINISTRATION | 20000 |
| HALE | VEGETATION DYNAMICS | 88003 |
| HALE | KIPAHULU RESOURCES INVENTORY | 4200 |
| HALE | FERAL PIG CONTROL | 7014 |
| HALE | VESPULA WASP BIOLOGY | 15000 |
| HALE | RESEARCH ADMINISTRATION | 12502 |
| HAVO | AVIAN DISEASE STUDY | 3697 |
| HAVO | BIOCONTROL OF ALIEN PLANTS | 50842 |
| HAVO | CHEMICAL CONTROL OF ALIEN PLANTS | 32337 |
| HAVO | PLANT DISEASE INVESTIGATIONS | 12673 |
| HAVO | FERAL PIG CONTROL | 57545 |
| HAVO | NENE STUDY | 2104 |
| HAVO | RESEARCH ADMINISTRATION | 14732 |
| LAME | BIGHORN MODEL DEVELOPMENT | 2308 |
| LAME | BIGHORN POPULATION STUDY | 31738 |
| LAME | RESEARCH ADMINISTRATION | 15000 |
| ORPI | QUITOBAQUITO MANAGEMENT PLAN | 59741 |
| ORPI | SENSITIVE SPECIES STUDY | 47327 |
| ORPI | RESEARCH ADMINISTRATION | 10000 |
| PINN | FERAL PIG CONTROL STUDY | 3340 |
| PINN | SMALL MAMMALS STUDY | 8770 |
| PINN | COMPLETE BOUNDARY SURVEY | 23000 |

# REGIONAL NATURAL SCIENCE PROGRAMS
(1985, 1986, 1987)

| NAME OF PARK | RESEARCH/RESOURCE MANAGEMENT PROJECT | EST. COST |
|---|---|---|
| PORE | MOUNTAIN BEAVER ECOLOGY | 5270 |
| PORE | BRANT DYNAMICS | 659 |
| PORE | OLEMA CREEK EROSION STUDY | 5000 |
| PORE | RESEARCH ADMINISTRATION | 25914 |
| REDW | OLD GROWTH FOREST ECOLOGY | 5232 |
| REDW | SECOND GROWTH FOREST ECOLOGY | 50697 |
| REDW | RESEARCH ADMINISTRATION | 31393 |
| SEQU | ACID PRECIPITATION STUDY | 33869 |
| SEQU | CHAPARRAL BIOMASS/FIRE ECOLOGY | 6194 |
| SEQU | GEOGRAPHIC INFORMATION SYSTEM | 58124 |
| SEQU | BLACK BEAR ECOLOGY STUDY | 3037 |
| SEQU | WILDERNESS IMPACTS STUDY | 6194 |
| SEQU | SEQUOIA FIRE ECOLOGY | 28000 |
| SEQU | RESEARCH ADMINISTRATION | 56943 |
| WRO | BOUNDARY EFFECTS STUDY | 31267 |
| WRO | POPULATIONS MANAGEMENT GUIDELINES | 34722 |
| WRO | HAWAIIAN ECOSYSTEMS SYMPOSIUM | 7014 |
| WRO | DEER/MILL CREEK WILD RIVER STUDY | 2783 |
| WRO | RESEARCH ADMINISTRATION--ARIZONA | 88811 |
| WRO | RESEARCH ADMINISTRATION--CALIFORNIA | 66779 |
| WRO | RESEARCH ADMINISTRATION--HAWAII | 28515 |
| WRO | RESEARCH ADMINISTRATION--NEVADA | 10970 |
| WRO | WESTERN REGION ADMINISTRATION | 281700 |
| WRO | RESEARCH ADMINISTRATION--WACC | 14000 |
| WRO | SUPPORT FOR PARK SCIENCE MAGAZINE | 2800 |
| WRO | MISC RESOURCES MANAGEMENT PROJECTS | 50000 |
| YOSE | GREAT GRAY OWL STUDY | 5567 |
| YOSE | GEOGRAPHIC INFORMATION SYSTEMS | 67190 |
| YOSE | FIRE ECOLOGY | 9220 |
| YOSE | BACKCOUNTRY CARRYING CAPACITY | 4610 |
| YOSE | BIGHORN MONITORING | 55728 |
| YOSE | RESEARCH ADMINISTRATION | 27659 |
| YOSE | SEQUOIA FIRE ECOLOGY | 20000 |
| * Subsubtotal * | | 2142302 |
| ** Subtotal ** | | 6196931 |
| *** Total *** | | 22261931 |

## Fee Collection Proposal

65a. Question: Mr. Mott, the FY 1987 budget request for the Park Service is $221 million or 25 percent less than the FY 1986 appropriation. The Administration is proposing to partially offset this reduction by raising fees at some parks and instituting new fees elsewhere. A total of $73,750,000 is projected to be raised by the yet-to-be proposed legislation. In view of the sharp funding reduction proposed in the FY 1987 budget, why would only 80 percent of these fee collections be available to the Service-why would the other 20 percent be deposited in the General Fund of the Treasury?

Answer: The proposed legislation on recreation fees would supplement appropriation requests for the National Park Service by $59 million, which is less than 10 percent of the total estimated cost of $655 million to operate the National Park System in fiscal year 1987. Since the general taxpayer is financing more than 90 percent of the cost of National Park System areas at a time of unprecedented budget deficits, we believe it is appropriate to earmark a portion of the revenues from recreation fees to help reduce that deficit and to support our position that National Park Service appropriations not be offset by fee revenues in future years.

65b. Question: Have you done any formal analysis of the impact the proposed fee program will have on visitation at each of the 180 park units involved?

Answer: The Service has explored how similar cost increases have affected State Park Systems when similar cost increases were proposed. This study has indicated that no real trend on visitation can be established as a result of this type of action. The proposal advanced by the National Park Service goes to great lengths to minimize any negative impacts on visitation. With the institution of staggered fee levels, separate fees per vehicle or per person, multiple-day entrance fees, the option of to establish "free days" if low income users are adversely affected, one entrance fee for parks in close proximity to each other, no charge at park areas established to provide large urban populations with recreational opportunities, and the continuation of the Golden Eagle, Golden Age, and Annual Park Pass programs, the Service has sought to establish a fair charge for users that would not discriminate against lower income users. It is the policy of the Service that if a park's fee is shown to be unfair and inequitable or causes an adverse effect on visitation, the fee charged at that particular park will be reviewed and revised, if necessary.

65c. Question: Would you supply for the record a list of the park units affected by the proposed fee legislation and indicated what the new fees would be for each?

Answer: A listing of all areas included in the current fee proposal showing the proposed fee for each site follows:

# NATIONAL PARK SERVICE PROPOSED ENTRANCE FEE AREAS

| PARK | PROPOSED 87 FEE |
|---|---|
| **$10 FEE AREAS** | |
| BIG BEND NP | $10.00 |
| EVERGLADES NP | $10.00 |
| GLACIER NP | $10.00 |
| GRAND CANYON NP | $10.00 |
| GRAND TETON NP | $10.00 |
| MESA VERDE NP | $10.00 |
| MOUNT RAINIER NP | $10.00 |
| ROCKY MOUNTAIN NP | $10.00 |
| YELLOWSTONE NP | $10.00 |
| YOSEMITE NP | $10.00 |
| **$5 FEE AREAS** | |
| ACADIA NP * | $5.00 |
| ASSATEAGUE ISLAND NS * | $5.00 |
| BANDELIER NM | $5.00 |
| BRYCE CANYON NP | $5.00 |
| CANYONLANDS NP | $5.00 |
| CAPE COD NS * | $5.00 |
| COLONIAL NHP * | $5.00 |
| COLORADO NM * | $5.00 |
| CRATER LAKE NP | $5.00 |
| DEATH VALLEY NM | $5.00 |
| DINOSAUR NM | $5.00 |
| FORT LARAMIE NHS | $5.00 |
| FORT UNION NM | $5.00 |
| HAWAII VOLCANOES NP | $5.00 |
| ISLE ROYALE NP | $5.00 |
| JOSHUA TREE NM | $5.00 |
| LASSEN VOLCANIC NP | $5.00 |
| LAVA BEDS NM | $5.00 |
| PETRIFIED FOREST NP | $5.00 |
| PINNACLES NM | $5.00 |
| SEQUOIA/KINGS CANYON NP | $5.00 |
| SHENANDOAH NP | $5.00 |

## NATIONAL PARK SERVICE PROPOSED ENTRANCE FEE AREAS

| PARK | | PROPOSED 87 FEE |
|---|---|---|
| THEODORE ROOSEVELT NP | * | $5.00 |
| ZION NP | | $5.00 |

### $3 FEE AREAS

| | | |
|---|---|---|
| AGATE FOSSIL BEDS NM | | $3.00 |
| ALLEGEHENY PORTAGE RAILROAD NHS | | $3.00 |
| ANDERSONVILLE NHS | | $3.00 |
| AZTEC RUINS NM | | $3.00 |
| BADLANDS NP | | $3.00 |
| BLACK CANYON OF THE GUNNISON NM | | $3.00 |
| CABRILLO NM | | $3.00 |
| CANAVERAL NS | | $3.00 |
| CANYON DE CHELLY NM | | $3.00 |
| CAPE HATTERAS NS | | $3.00 |
| CAPITOL REEF NP | | $3.00 |
| CAPULIN MOUNTAIN NM | | $3.00 |
| CASA GRANDE NM | | $3.00 |
| CEDAR BREAKS NM | | $3.00 |
| CHIRICAHUA NM | | $3.00 |
| CORONADO N MEM | | $3.00 |
| COWPENS NB | | $3.00 |
| CRATERS OF THE MOON NM | | $3.00 |
| CUMBERLAND GAP NHP | | $3.00 |
| CUSTER BATTLEFIELD NM | | $3.00 |
| DEVILS POSTPILE NM | | $3.00 |
| DEVILS TOWER NM | | $3.00 |
| FLORISSANT FOSSIL BEDS NM | | $3.00 |
| FORT DAVIS NHS | | $3.00 |
| FORT DONELSON NMP | | $3.00 |
| FORT RALEIGH NHS | | $3.00 |
| FORT WASHINGTON PARK | | $3.00 |
| GREAT FALLS PARK (GWMP) | | $3.00 |
| GREAT SAND DUNES NM | | $3.00 |
| GUADALUPE MOUNTAINS NP | | $3.00 |
| GUILFORD COURTHOUSE NMP | | $3.00 |
| GULF ISLANDS NS | * | $3.00 |

## NATIONAL PARK SERVICE PROPOSED ENTRANCE FEE AREAS

| PARK | PROPOSED 87 FEE |
|---|---|
| HALEAKALA NP | $3.00 |
| HOPEWELL FURNACE NHS | $3.00 |
| MONTEZUMA CASTLE NM | $3.00 |
| OLYMPIC NP * | $3.00 |
| ORGAN PIPE CACTUS NM | $3.00 |
| PADRE ISLAND NS | $3.00 |
| PIPE SPRING NM | $3.00 |
| PIPESTONE NM | $3.00 |
| SAGUARO NM | $3.00 |
| SCOTTS BLUFF NM | $3.00 |
| TONTO NM | $3.00 |
| TUMACACORI NM | $3.00 |
| TUZIGOOT NM | $3.00 |
| WALNUT CANYON NM | $3.00 |
| WHITE SANDS NM | $3.00 |
| WIND CAVE NP | $3.00 |
| WUPATKI-SUNSET CRATER NM | $3.00 |

### $2.50 FEE AREAS

| | |
|---|---|
| ADAMS NHS | $2.50 |
| APOSTLE ISLANDS NL | $2.50 |
| CHACO CULTURE NHP | $2.50 |
| CUMBERLAND ISLAND NS | $2.50 |
| EDISON NHS | $2.50 |
| FREDERICK LAW OLMSTED NHS | $2.50 |
| GOLDEN SPIKE NHS | $2.50 |
| GRANT-KOHRS RANCH NHS | $2.50 |
| HARPERS FERRY NHP | $2.50 |
| HOME OF FRANKLIN D ROOSEVELT NHS | $2.50 |
| INDEPENDENCE NHP * | $2.50 |
| JOHN MUIR NHS | $2.50 |
| LONGFELLOW NHS | $2.50 |
| LOWELL NHP | $2.50 |
| LYNDON B JOHNSON NHP | $2.50 |
| SAINT-GAUDENS NHS | $2.50 |

## NATIONAL PARK SERVICE PROPOSED ENTRANCE FEE AREAS

| PARK | | PROPOSED 87 FEE |
|---|---|---|
| **$1.50 FEE AREAS** | | |
| ANDREW JOHNSON NHS | | $1.50 |
| ANTIETAM NB | | $1.50 |
| APPOMATTOX COURT HOUSE NHP | | $1.50 |
| ARKANSAS POST NMEM | | $1.50 |
| ARLINGTON HOUSE-ROBT. E. LEE NMEM | | $1.50 |
| BENT'S OLD FORT NHS | | $1.50 |
| BIG HOLE NB | | $1.50 |
| BOOKER T WASHINGTON NM | | $1.50 |
| BOSTON NHP | | $1.50 |
| BUCK ISLAND REEF NM | | $1.50 |
| CAPE LOOKOUT NS | | $1.50 |
| CARL SANDBURG HOME NHS | | $1.50 |
| CASTILLO DE SAN MARCOS NM | | $1.50 |
| CASTLE CLINTON NM | | $1.50 |
| CHICKAMAUGA/CHATTANOOGA NMP | * | $1.50 |
| CHRISTIANSTED NHS | | $1.50 |
| CLARA BARTON NHS | | $1.50 |
| DE SOTO N MEM | | $1.50 |
| EDGAR ALLEN POE NHS | | $1.50 |
| EFFIGY MOUNDS NM | | $1.50 |
| EISENHOWER NHS | | $1.50 |
| EL MORRO NM | | $1.50 |
| ELEANOR ROOSEVELT NHS | | $1.50 |
| FORD'S THEATRE NHS | * | $1.50 |
| FORT CAROLINE NMEM | | $1.50 |
| FORT CLATSOP NMEM | | $1.50 |
| FORT FREDERICA NM | | $1.50 |
| FORT LARNED NHS | | $1.50 |
| FORT McHENRY NM & HISTORIC SHRINE | | $1.50 |
| FORT NECESSITY NB | | $1.50 |
| FORT PULASKI NM | | $1.50 |
| FORT SCOTT NHS | | $1.50 |
| FORT SMITH NHS | | $1.50 |
| FORT STANWIX NM | | $1.50 |
| FORT SUMTER NM | | $1.50 |
| FORT VANCOUVER NHS | | $1.50 |

## NATIONAL PARK SERVICE PROPOSED ENTRANCE FEE AREAS

| PARK | PROPOSED 87 FEE |
|---|---|
| FREDERICKSBURG/SPOTSYLVANIA NMP | $1.50 |
| FRIENDSHIP HILL NHS | $1.50 |
| GEORGE ROGERS CLARK NHP | $1.50 |
| GEORGE WASHINGTON BIRTHPLACE NM | $1.50 |
| GEORGE WASHINGTON CARVER NM | $1.50 |
| GETTYSBURG NMP | $1.50 |
| GRAND PORTAGE NM | $1.50 |
| HAMPTON NHS | $1.50 |
| HARRY S TRUMAN NHS | $1.50 |
| HERBERT HOOVER NHS | $1.50 |
| HOMESTEAD NM OF AMERICA | $1.50 |
| HORSESHOE BEND NMP | $1.50 |
| JEFFERSON NAT'L EXPANS.MEM NHS * | $1.50 |
| JOHN DAY FOSSIL BEDS NM | $1.50 |
| JOHN F KENNEDY NHS | $1.50 |
| KENNESAW MOUNTAIN NBP | $1.50 |
| KINGS MOUNTAIN NMP | $1.50 |
| LINCOLN BOYHOOD NMEM | $1.50 |
| LINCOLN HOME NHS | $1.50 |
| MANASSAS NBP | $1.50 |
| MARTIN VAN BUREN NHS | $1.50 |
| MINUTE MAN NHP * | $1.50 |
| MOORES CREEK NB | $1.50 |
| MORRISTOWN NHP * | $1.50 |
| MOUND CITY GROUP NM | $1.50 |
| NEZ PERCE NHP | $1.50 |
| OCMULGEE NM | $1.50 |
| PEA RIDGE NMP | $1.50 |
| PECOS NM | $1.50 |
| PERRY'S VICTORY & INT'L PEACE MEM | $1.50 |
| PETERSBURG NB | $1.50 |
| PICTURED ROCKS NL | $1.50 |
| PU'UHONUA O HONAUNAU NHP | $1.50 |
| RICHMOND NBP | $1.50 |
| ROGER WILLIAMS NMEM | $1.50 |
| RUSSELL CAVE NM | $1.50 |
| SAGAMORE HILL NHS | $1.50 |
| SALEM MARITIME NHS | $1.50 |

## NATIONAL PARK SERVICE PROPOSED ENTRANCE FEE AREAS

| PARK | | PROPOSED 87 FEE |
|---|---|---|
| SALINAS NM | | $1.50 |
| SAN JUAN ISLAND NHP | | $1.50 |
| SAN JUAN NHS | * | $1.50 |
| SARATOGA NHP | | $1.50 |
| SAUGUS IRON WORKS NHS | | $1.50 |
| SHILOH NMP | | $1.50 |
| SLEEPING BEAR DUNES NL | | $1.50 |
| SPRINGFIELD ARMORY NHS | | $1.50 |
| STATUE OF LIBERTY NM | | $1.50 |
| STONES RIVER NB | | $1.50 |
| THEODORE ROOSEVELT BIRTHPLACE NHS | | $1.50 |
| THEODORE ROOSEVELT INAUGURAL NHS | | $1.50 |
| TUSKEGEE INSTITUTE NHS | | $1.50 |
| USS ARIZONA MEMORIAL | | $1.50 |
| VALLEY FORGE NHP | * | $1.50 |
| VANDERBILT MANSION NHS | | $1.50 |
| VICKSBURG NMP | | $1.50 |
| WASHINGTON MONUMENT | | $1.50 |
| WHITMAN MISSION NHS | | $1.50 |
| WILSON'S CREEK NB | | $1.50 |
| WOMEN'S RIGHTS NHP | | $1.50 |
| WRIGHT BROTHERS N MEM | | $1.50 |

66. Question: Page 162 of your budget justification identifies nine activities which are to funded from the fees retained by the National Park Service. How was each of these activities selected? Why "Natural Resource Preservation" and Harpers Ferry Exhibit Center in particular?

Answer: The process to determine functions appropriate for funding through the fee revenues involved an examination of National Park Service functions and programs to see which best coincided with the three basic criteria established for selection. The criteria were: (1) functions which directly benefited the park visitor or provided distinct and identifiable visitor services; (2) functions which were generally not FTE intensive; and (3) functions which met the broad policy initiatives outlined by Director Mott in his 12-Point Plan to revitalize the Park Service to meet the challenges of the coming 21st Century.

By allowing fee revenues to partially fund identifiable visitor services, the National Park Service will provide the visitor who is being asked to pay the fee with a sense of participation in the upkeep and operation of the resources he or she is using. Informational Publications, Visitor Transportation Systems, the Harpers Ferry Exhibit Rehabilitation Program, the Volunteers-in-Parks Program, and the enhancement of park operations are examples of this type of function or program. By keeping FTE's to a minimum, except for the Harpers Ferry programs and the necessary staff involved with fee collection, the Service is better able to program funds that will be expended in the same year as collection. The broad diversity of the programs requested in the proposed legislation attempts to incorporate as many facets of the Director's 12-Point Plan as possible. Strong resource protection programs, such as Cultural and Natural Resource Preservation Programs, play an important part in the Director's challenge and have the added advantage of having no FTE's associated with the project-oriented programs.

67. Question: Congress will probably be locked into a budget resolution which makes certain assumptions about the Administration's fee collection proposal long before the proposal itself is considered. How will you accomplish these nine activities if the proposed legislation is not passed by Congress?

Answer: If the proposed legislation is not passed, funding for the eight programs or functions transferred from the "Operation of the National Park System" appropriation would be provided through a revision of the Service's budget and a reordering of priorities to accommodate these items at the level judged appropriate. Essentially maintaining park budgets at the fiscal year 1986 level after the Gramm-Rudman reductions would permit the Service to fund the programs transferred from the "Operation of the National Park System" account. Minor adjustments below the Gramm-Rudman level in lower priority programs would also be considered. It is likely that the reductions taken in fiscal year 1986 due to the Gramm-Rudman-Hollings Act would be continued and project-oriented programs would be further reduced.

## QUESTIONS SUBMITTED BY SENATOR DENNIS DECONCINI

### Overview

### Uniform Level of Standards

1. Question: There seem to be competing interests within the Service for limited Federal dollars for various purposes at our parks. What organizational system does the Park Service have for assuring a uniform level of standards for all parks? Do you think these standards are being applied uniformly?

Answer: The National Park Service has developed an operations evaluation system that provides a uniform method of describing workloads and costs against program standards. This system is designed so that parks can analyze operations on an annual basis. Verification of uniform application of these standards is achieved when evaluation teams conduct onsite visits to parks. During fiscal year 1985, evaluations were conducted in 83 parks. Team evaluations are scheduled for approximately 80 parks during fiscal year 1986.

An evaluation program for Regional Offices has been designed using the same techniques and concepts. Two Regional Offices have been evaluated, and a third office is scheduled for this summer.

### User Fees

2. Question: Of the projected $73.7 million that is to be collected from entrance fees, $59 million is designated for park activities. Of the $59 million, only $14 million will be actually used to enhance park operations. Aren't you essentially just taking other park programs, like informational publications and visitor transportation systems, adding the costs for fee collections, then giving whatever is left to the parks for operations deficiencies?

Answer: The Park Service's policy on the proposed fee legislation is that the funds generated should benefit park operations in an equitable and efficient manner. All functions and programs selected to be funded from the requested increase in fee revenues provide a direct or indirect benefit to the park and the visitor. It was felt that at least one-third of the fees generated should go back to the units of the System to enhance operations and cover the increased costs of collection. With this in mind, other visitor-oriented and resource protection programs were selected to complete the proposal. The final proposal includes approximately 34 percent of the $73.8 million going directly to the parks, 46 percent providing funds for various Servicewide programs, and 20 percent being returned to the General Fund of the Treasury to help reduce the Federal deficit.

In addition to the $14 million for enhanced park operations, entrance fees would also provide funding increases for informational publications and the Volunteers-in-Parks Program.

Proposed User Fee Legislation

3. Question: How will the $14 million be allocated to the park units?

Answer: Under the proposed legislation, an estimated $14.2 million would be made available for use in park areas to enhance operations and visitor services. The National Park Service is currently developing a method by which the funds would be allocated to individual parks in an equitable manner which would benefit the visitor and meet the park's highest priorities in unfunded requirements.

To distribute the funding available, parks will be classified in one of two categories: those that will produce revenue though the collection of an entrance or user fee; and those that will not produce any revenue. It is the intention of the Service to provide funds from this source to all units of the National Park System, irrespective of whether the park will be a revenue-producing area or not. In fiscal year 1987, the operating budgets of parks classified as revenue-producing constitute 77 percent of the total operating budget for all parks. The Service will distribute 77 percent of the $14.2 million available - in the case of fiscal 1987, an estimated $10.9 million - to the revenue-producing parks. The funds would be allocated under a formula incorporating the amount of fees collected at a particular park and the cost required to collect the fees.

The remaining $3.3 million available for enhanced operations would be distributed to the nonrevenue-producing parks based upon the size of the park's operating budget relative to the total operating budget for all nonrevenue-producing parks.

Once the funds have been allocated to the park areas, they will be available for use in meeting the highest priority requirements as defined by each park.

4. Question: I heard somewhere that the National Park Service was proposing to send 35 percent of the proceeds back to the parks. Is this accurate?

Answer: The Service has proposed that $25.3 million in revenues generated by the expanded recreation user fees be distributed directly to park areas to cover the cost of collection and to enhance operations and visitor services in all areas of the National Park System. This amount represents approximately 34 percent of the projected fiscal year 1987 revenue of $73.8 million. In addition, park areas would also benefit from enhanced Servicewide and Regionwide programs funded from the remaining $33.7 million in fees to be made available to the Service under the proposed legislation. Essentially then, the parks will receive 80 percent of the proceeds.

5. Question: With reference to the proposed fee increases, has any scientific survey been conducted that demonstrates the public's willingness to pay higher fees?

Answer: There have been no recent studies on the "willingness to pay" question. However, a 1976 study by the Bureau of Outdoor

Recreation revealed that a majority of all demographic groups surveyed favored the user fee concept as opposed to total reliance on general tax revenues, and that most people were willing to pay higher fees than were then in effect. National Park Service entrance fees have not changed since this report was completed.

The Park Service's proposal is consistent with the principle of charging for recreational use of resources that has been endorsed by both Congress and the public since the beginnings of the National Park System. This guiding principle - that where the use of Federal resources provide unique benefits to identifiable recipients above that enjoyed by the general public, such recipients could fairly pay a reasonable charge for the service received - is the basis for the Service's fee proposal. By establishing equitable and moderate fees, and by having the major portion of this revenue dedicated to the operation of the National Park System, the Service believes that the public will be supportive of this initiative.

6. Question: While the user pay theory makes some sense, it can also be construed as taxing the public. Are you concerned that we may be creating an environment in our national parks where only those who can afford it will be able to enjoy the crown jewels?

Answer: The creation of the National Park Service in 1872, with the establishment of Yellowstone National Park, set into action the notion of preserving our nation's "crown jewels." The 1970's saw the Service expand into a new role of providing recreational opportunities to urban populations. Thus started a new direction of responsibility by bringing the parks to the people while continuing the responsibility of preserving the great natural areas of the System.

The National Park Service is concerned about creating an environment in our national parks where only those who can afford it will be able to enjoy these areas. The makeup of the proposed Fee Program acknowledges the different population centers of people who utilize the parks. Our concern for meeting the recreation needs of those citizens who cannot afford the burden of an entrance fee has been addressed by excluding park areas close to major urban centers that were established principally to provide recreational opportunities for urban populations. In addition, educational groups and children under 16 years of age would continue to be admitted free of charge.

As for the question of excluding a part of the population from enjoying the "crown jewels," the remoteness of many park areas requires a substantial investment of financial resources for food, transportation, and lodging. Under the proposed Fee Program, the entrance fee charged will represent a very small portion of the cost of visiting these areas. We believe that a reasonable entrance fee will not have a significant long-term impact on park visitation.

7a. Question: Some of these fee increases are rather significant. When you raise fees from the existing $2 per car at the Grand Canyon to $10 per car, doesn't this seem a little steep to you?

Answer: The Park Service feels that the fee structure contained in the proposed legislation is fair and equitable. Despite a rapid rise in the level of inflation during the 1970's, National Park Service entrance fees have not been raised or initiated since 1972. Only 10 park areas are proposed to have a $10 entrance fee. All such park areas were classified through the application of six criteria on entrance fee development contained in the Land and Water Conservation Fund Act, and these 10 areas were judged to meet the standards applicable to charge a fee of $10. The maximum fee level was established, based on a 1982 General Accounting Office study that recommended a $10.33 "per recreation day value" fee.

7b. Question: Won't that kind of jump in price have a dramatic decrease on visitation?

Answer: Although no formal studies have been done on this subject, the Service has explored the impact of similar cost increases on State park systems. Essentially, no trend on visitation can be established as far as actions of this sort are concerned. The proposal advanced by the Park Service has attempted to mitigate as much as possible the effects of the fee increase on park visitation. With the institution of staggered fee levels and method of determination (i.e., per vehicle or per person), 7-day single entrance fees at all parks, the option to establish "free days" to assist low income users, no fees at large urban recreational areas, and the continuation of the Golden Eagle, Golden Age, and Annual Park Pass Program, the Service has sought to establish a fair charge for users. In addition, it is felt that the concept of making a major portion of the revenues generated available to the Park Service for operational activities will prove popular with a public concerned about the serious Federal budget deficit. If the fee charged at any park ultimately proves to have an adverse impact on visitation, it is the intention of the Service to review the fee charged at that particular park and revise it, if necessary.

7c. Question: How did you arrive at the figures for the projected increases?

Answer: Fees were established at $10, $5 or $3 per vehicle, or $5, $2.50, or $1.50 per person, depending on the classification of the park as a prime, intermediate, or standard fee area. The classification was based on the application of six criteria on entrance fee development contained in the Land and Water Conservation Act. The criteria were as follows:

- -- Direct and Indirect Cost to the Government
- -- Visitor Benefits
- -- Comparable Fees Charged by Other Public and Private Organizations for Similar Services
- -- Economic and Administrative Feasibility
- -- Public Policy or Interest Served
- -- Other Pertinent Factors

A $10 maximum fee was established based upon a 1982 General Accounting Office study that recommended a $10.33 "per recreation day value" fee.

8. Question: There are a number of small parks in Arizona that are in close proximity to each other. Presently, there is either no fee or a fee of 50 cents. If you raise that fee to $3 per car at each park, aren't we just discouraging visitation?

Answer: It is not our intent to discourage visitation in any of the National Park units. In areas where fee parks are located in close proximity, those units will be considered for grouping under one fee. All single entrance permits will be good for 7 days which should allow ample time for users to visit these types of groupings. In addition, we plan to develop an annual pass for grouped areas that will cost substantially less than the Golden Eagle Passport. The final determination on grouping of fee areas will be made based on individual studies which will determine the effects on the park user.

9. Question: The proposal as identified in your budget justification states that no fees will be instituted for parks in urban areas or other areas where fee collection would be almost impossible. Do you consider Saguaro National Monument to be an urban park?

Answer: We do not consider Saguaro National Monument as an urban recreation area. Our thinking was to single out areas like Gateway National Recreation Area where there are multiple entrances and which was established principally to provide recreational opportunities for an urban populace. Saguaro has been an entrance fee area in prior years and is scheduled to resume fee collection in fiscal year 1986.

10. Question: If fees are collected at the East Unit, would they be distributed to the Western Unit? Do you have a plan for the redistribution of the fees that are to be collected?

Answer: Funds that are to be retained by Saguaro National Monument could be used at either unit of the park for operations type programs.

Under the current proposal, entrance fee revenue will be divided approximately as follows:

| | Percent |
|---|---|
| Returned to the General Treasury Fund | 20 |
| Used to cover the cost of collection | 15 |
| Used to fund selected Servicewide and Regionwide programs | 46 |
| Used to enhance park operating programs | 19 |

The Service is currently developing the exact method to be used to determine the percent of funds to be retained by the individual collecting park. A formula, incorporating the amount collected and the cost of collection, will be the basis of the amount retained. It is Service policy that all park units in the System will benefit from the fee revenue collected.

11. Question: Mr. Mott, I think the goals outlined in your legislative proposal are thoughtful. As I understand it the focus would be on providing funds to protect the resources and enhance the public's experience at these parks. With parks in my own State, that I am aware of, having to limit visitor service because of insufficient personnel to carry-out the needs on the ground, how can you justify utilizing the fee funds for only project-oriented needs and not increases in personnel?

Answer: In developing this proposal, we purposely limited the number of personnel proposed for funding from fee revenues for several reasons. First of all, the total number of personnel requested for the National Park Service conforms to the guidelines established by the President in developing his budget proposal. In order to limit Federal spending, overall Federal employment must be reduced. However, we were also concerned that recreation fee revenues were, at least initially, too uncertain as a source of funding to permit effective hiring and personnel management practices. Project requirements can be adjusted more readily to available funding than can commitments to hire additional staff. The National Park Service faces a sizeable backlog of project work in maintenance and resources management. Although staffing levels are tight, I believe the budget request includes sufficient FTE's to ensure that a full range of visitor services is available in every unit of the System.

12. Question: What happens if the Congress does not enact user fee legislation?

Answer: If user fee legislation is not enacted by Congress, the Service would propose a revision to the fiscal year 1987 budget. In essence, this revision would require parks to operate in fiscal year 1987 at the fiscal year 1986 level after the Gramm-Rudman reductions. Minor cuts in lower priority programs below the Gramm-Rudman level would also be implemented. The Service, therefore, would be required to continue reduced visitor services, maintenance, etcetra, in fiscal year 1987.

13a. Question: What happens if the projected receipts from the entrance fees are substantially lower than estimated?

Answer: The revenue projections from the entrance fee proposal presented in the fiscal year 1987 budget are conservative and should be attainable. However, if the projected receipts are lower than estimated, a priority system will go into affect detailing which programs will face curtailment. These are programs which are funded through the "Fee Program" account. The priority system is:

| Priority | Program | Amount<br>($ in thousands) |
|---|---|---|
| 1 | Fee Collection Activities | $11,121 |
| 2 | Visitor Transportation Systems | 4,002 |
| 3 | Informational Publications | 3,400 |
| 4 | Cultural/Natural Resource Preservation | 12,164 |
| 5 | Exhibit Rehabilitation Program | 3,962 |
| 6 | Volunteers-in-Parks Program | 990 |
| 7 | Enhanced Park Operations Program | 14,207 |
| 8 | Maintenance Repair and Rehabilitation | 9,154 |
|  | Total | $59,000 |

The priority system acknowledges the importance of funding user oriented and labor intensive activities and that research and enhanced programs could be deferred without having a major impact on the parks.

13b. Question: Will you have to take funds from other accounts to keep the parks operating?

Answer: Funds will not be transferred from other accounts outside the "Fee Program" account in order to make up any shortfalls in revenues.

Chesapeake and Ohio Canal National Historical Park

14. Question: Mr. Director, the Oct.-Nov. floods last year did some substantial damage to the C&O Canal. Several members of my staff like to use the Towpath and have been wondering when the canal will be fully repaired. In order that my staff can continue to use the canal to vent their frustration, I wonder if you could give me an update on repairs?

Answer: Damage to the Chesapeake and Ohio Canal National Historical Park caused by the flood of November 1985, totaled $9.5 million. Most of the damage occurred above Whites Ferry, 35 miles above Washington. Towpath blowouts, miles of towpath scowering and massive deposits of silt and debris have required the closing of the towpath to visitor use along 70 percent of the 184$\frac{1}{2}$ miles for safety reasons.

Much of the damage to the towpath below Great Falls has been repaired with the exception of a massive break below Chain Bridge. Constant freezing and thawing coupled with excessive prolonged raining spells have precluded the park from repairing this and other breaks below Great Falls. Complete repairs and rewatering below Great Falls can be accomplished within 30 days after the repair areas are dried out and vehicles can be safely driven along the towpath. Long-range repairs are essential upstream all the way to Oldtown, Maryland, 166 miles above Washington.

The National Park Service has submitted a request to the Secretary of the Interior totaling $7 million Servicewide to use his authority to redirect funds to cover the most critical costs for the protection of life and property resulting from the two recent hurricanes. This request includes partial funding of approximately $3 million for flood damage to the Chesapeake and Ohio Canal. This money, coupled with a massive volunteer program to begin this summer, will provide the means to begin cleaning up and taking care of critical repairs required for public safety and protection of the park. Full restoration of flood damaged areas could be accomplished in 3 years if $2.5 million was available annually.

## Fiscal Year 1986 Continuing Resolution

15. Question: In the FY 86 Continuing Resolution, the Congress included language directing the Park Service to provide an additional $150,000 for the Operations and Maintenance Base Budget for the Saguaro National Monument and $600,000 for the Glen Canyon National Recreation Area. I understand that the Park Service has taken the position that since this was not new money but money to be made available within existing funds, the preceding levels will not be added to the base operations of these parks. Can you tell me if you know, Mr. Director, why this language was included in the Continuing Resolution in the first place?

Answer: The Conference Report language on which the fiscal year 1986 Continuing Resolution was based was ambiguous as regards to the intent of the additional funding for Glen Canyon National Recreation Area and Saguaro National Monument. It stated "within available funds there are increases of ...$150,000 for Saguaro National Monument, $600,000 for Glen Canyon National Recreation Area." As directed, the Service made funding in these amounts available in fiscal year 1986 from the Regionwide Repair and Rehabilitation Program, which is administered at the Regional Office level and distributed to park areas for maintenance projects.

16. Question: If the money is not added to base, how can the parks expect to hire the additional personnel necessary to provide a sufficient standard of service to the public for the long-term?

Answer: Since the Service was directed to provide the money within available funds, the funding was not added to the park's base. The process of making funding available to one area or program necessarily exacts a sacrifice from another area or program, given the budgetary constraints under which the Service is currently operating. The benefits to be derived from funding one particular need must be weighed against the cost in other areas. In this case, a decision was made to defer park maintenance projects in fiscal year 1986 in order to fund the requirements at Saguaro and Glen Canyon, as directed. Any long-term adjustments made within available funding requires careful analysis and a restructuring of priorities. In an era of a shrinking Federal budget, hard choices between competing needs must be made so as to operate the parks at an acceptable standard within the limited funding available.

17. Question: I am aware of the severe budget contraints your agency is under. If we don't add money to the budget, projects earmarked for funds will have to come from other areas. I do not intend to create additional burdens for our national

parks. But, couldn't this money be taken from some administrative function to meet the basic health and safety needs at Saguaro? We are not talking about a great deal of money.

Answer: The reprogramming of funds from administrative functions to meet the requirements at Saguaro National Monument would be a more complex step than indicated above. As you point out, when the Service is faced with a situation that requires funding from within available sources, there is always a choice to be made between competing needs. Administrative functions, for their part, have taken a large share of the reductions in the Park Service budget since 1983. In fiscal year 1983, the transfer of Central and Regional Office staff and funding to the parks was accomplished as part of a general reorganization effort to reduce overhead. In fiscal years 1985 and 1986, administration was forced to take overall budget reductions of 2 and .6 percent respectively, the same as the operating programs. In addition, a 10 percent administrative reduction was enacted within the fiscal year 1986 budget approved by Congress. The cumulative effect of these decreases has been a sharp reduction in temporary administrative positions, extended lapses of permanent vacancies, and the virtual elimination of training, equipment and supply funds. Further reductions would jeopardize the Service's ability to provide essential administrative services as well as meet statutory and regulatory requirements.

## QUESTIONS SUBMITTED BY SENATOR DENNIS DECONCINI FOR HOWARD CHAPMAN

### National Parks in Arizona

1. Question: In your view, what is the condition of our National Parks in Arizona? Can you describe for me some of the problems that we face that are not being met with the existing budgets for these parks?

Answer: The basic resource condition of the parks in Arizona is quite good. Grazing has been phased out in Saguaro and Organ Pipe Cactus National Monuments, and increased attention is being given to resource management activities by assigned resource managers for the parks under the Southern Arizona Group Office. Visitor services in all areas are being maintained despite the Gramm-Rudman reductions to provide interpretation and essential protection services.

While all areas benefitted in the Park Restoration and Improvement Program, Arizona parks, as is true throughout the Region, have never been fully funded to meet cyclic maintenance needs, such as for chip sealing roads, painting buildings, reroofing structures or other work of a cyclic nature. We have been able to make substantial progress in improving water delivery and storage on the South Rim of the Canyon as well as improved sewage treatment facilities throughout Grand Canyon. Improvements in employee housing are needed, however. Also, excellent progress has been made on road rehabilitation in Petrified Forest.

Not all problems facing Arizona parks can be solved by funding. Encroaching urban development outside Saguaro is probably one of the most serious problems we face. Aircraft use over Grand Canyon as well as military aircraft over Petrified Forest National Park is causing serious concerns, and we are working to achieve reasonable solutions to these and other problems.

2. Question: How often do you get out to the Arizona parks to inspect conditions?

Answer: I get to the parks in Arizona to inspect conditions about 1 week out of every 6. In addition, I have an operations evaluation unit in the Regional Office that makes a thorough inspection of about four or five parks in Arizona every year on an average.

3. Question: When one park has specific problems which cannot be met through the normal resources available to a Region, what procedure does the Regional Director follow? For example, take the case of Saguaro National Monument. The Park Superintendent needs additional personnel to meet the law enforcement needs. You do not have funds within your budget to allocate additional personnel on a permanent basis. What do you do?

Answer: I have to assess the priority of any need that is identified in a park with other needs that exist in the Region. This means assigning priorities to the operating program requests (interpretation, law enforcement, maintenance, visitor safety, etcetra) for 44 areas in the Western Region. Then, to the extent permitted by overall budget levels, we request increases in future budgets. In certain cases, I may approve shifts in base funding among various programs to meet critical needs.

4. Question: About how many seasonal employees does the Park Service employ?

Answer: During fiscal year 1985, 7,814 seasonal employees were hired Servicewide.

5. Question: How do Park Superintendents articulate a particular park's budgetary problems and needs to the Region?

Answer: By submitting to the Region their operating program and development needs, they assign a priority to their operating program (rangers, interpreters, and maintenance) increase needs on one list that must be kept current at all times. Similarly, they rank their development needs (housing, major road reconstruction, utility systems, and buildings) on one list and provide this to the Region. In this way, the Superintendents are telling the Region what their most important needs are, in priority order, for operating programs and in development projects.

6. Question: I understand there are forms referred to as 10-237 and 10-238 which the Superintendents fill out and send to the Region. What is the process followed on whether or not to approve or deny these requests?

Answer: Briefly, these forms are completed by park staff and assigned a priority by the Superintendent. At the designated time, they are sent to the Regional Office where the requests from all parks are assembled and a consolidated ranking is developed for the Region as a whole. They are then forwarded to the Washington Office where final decisions are made on which requests to include in the budget based on such factors as the Director's priorities, Administration policy, and overall budgetary ceilings, consistency with park planning documents and other factors.

7. Question: Could you provide to the Committee copies of the forms that were turned in last year for Parks in Arizona?

Answer: These will be supplied in a separate submission.

8. Question: Turning to the FY 86 Gramm-Rudman-Hollings sequesters, I understand that the reductions will mean that parks will have to reduce their hours of operations, substantially reduce or in some cases eliminate interpretive programs, and cut back on seasonal employees. Can you give me a rundown on what specific activities will be curtailed in Arizona parks?

Answer: In treating the fiscal year 1986 Gramm-Rudman-Hollings sequestrations, the Director of the National Park Service has specified that no reductions are to be made in: interpretation, research, resource management, and health and safety. Nor are there to be any closure of parks or campgrounds or termination of any permanent employees. This will mean that we will have to program cuts out of cyclic maintenance, repair and rehabilitation, and equipment replacement. Since the Western Region has never been fully funded to meet all our cyclic maintenance needs, we can expect these cuts to have serious consequences on the long-term maintenance needs of buildings, roads, and utility systems if these reductions continue in future years. A detailed summary of Gramm-Rudman impacts will be provided to the Committee.

9. Question: Without sufficient personnel to oversee public access to some areas, do you worry that archeological and cultural resources may be negatively impacted?

Answer: Even with a substantially increased budget for resources protection, cultural resources, including archeological resources, can be impacted. We have never been able to totally eliminate vandalism and/or poaching in the parks. Nonetheless, we are concerned that with fewer people to patrol or be present in the area, there is a potential for a greater impact on increases from these illegal activities.

10. Question: Recreation in Arizona through our national parks, forests and BLM units is of paramount importance to the State's residents. The rate of growth in population in our State is placing increasing demands on Federal recreation areas. I have no doubt that this trend will continue. If the Park Service budget cannot respond to public demand today, how do you expect to provide the level of services necessary for the public in the years to come?

Answer: I believe that we are currently meeting the public's demand in National Park Service areas in Arizona in terms of fulfilling our basic mission. If the demand for services and facilities continues to escalate, we will, of course, have to reassess what we are accomplishing and consider alternatives for increasing the staff and funding resources available to these areas.

Grand Canyon National Park

11. Question: As you know, the Committee has been very generous in making funds available over the past few years to rehabilitate the water distribution systems and sewer lines, the power distribution system on the North Rim, and other projects at the Grand Canyon. Would these projects have been ignored if the Congress didn't give special consideration to this Park?

Answer: We are very appreciative of the attention given by the Committee to projects rehabilitating water distribution systems and sewer lines, power distribution system on the North Rim as well as other major projects at Grand Canyon. These projects have never been ignored, but have been high on the priority list of the National Park Service. It has been the Committee's recognition of this need that has made possible their funding and completion.

12. Question: How do you feel about the proposed $10 per car entrance fee at the Grand Canyon?

Answer: Grand Canyon is certainly one of the premier natural parks of the country if not the world. A fee structure has been in effect at Grand Canyon virtually since its entry into the National Park System. As a destination park where there are numerous facilities provided by the Government - roads, utility systems, trails, visitor services, etcetra, it is fitting and appropriate for the user to pay more than would be expected from the nonusing general taxpayer. Grand Canyon's fee should be comparable to other major national parks at whatever level is established for park users.

13. Question: Do you know what the status is of the Bureau of Reclamation study on the operation of Glen Canyon Dam and the ecological impact on the Grand Canyon? Could you comment on these impacts?

Answer: The current study budget of $4.8 million for fiscal years 1984-1986 is being revised to include extended study projects into fiscal year 1987. Field work has begun on all studies and will continue through the spring of 1986. The National Park Service riparian flood impact study has been completed. The National Park Service recreation/accident study is also in a final review stage, with a completion date targeted for the first quarter of fiscal year 1986. Additional recreation/economic studies will continue through fiscal year 1986. Cost of the National Park Service staff and studies for fiscal years 1985-1986 will be provided by the Bureau of Reclamation. The final project report is scheduled for May 1987. If significant changes in Glen Canyon operating criteria are recommended, an Environmental Impact Statement will be prepared as an interagency effort.

14. Question: I know the aircraft issue at the Grand Canyon has been a controversial one. I understand the Park Service is reviewing possible alternatives on this topic. What is the status

of the aircraft study? Is there a way to protect the integrity of the park and the experience for the public without significantly reducing aircraft activity?

Answer: Studies have been conducted over the last several years that have included collection of aircraft noise and flight frequency data, sound level readings, and the perceptions of visitors concerning aircraft as well as studies concerning the relationship of aircraft to wildlife and cultural resources. From October 1984 to July 1985, Grand Canyon National Park personnel conducted a series of meetings with work groups composed of representatives of air tour companies, the environmental community, and other agencies and associations concerned with aircraft. In September 1985, a public review period began with distribution of a public information packet presenting information received at the work group meetings and other information collected by the National Park Service. Formal public meetings were conducted from October 24 to November 13, 1985, to discuss the issue and information packet in San Francisco, Las Vegas, Phoenix, Williams and Flagstaff. An estimated 645 people attended the formal meeting with 241 people making verbal presentations. In addition, nearly 500 letters, along with numerous petitions and form letters, were received during the comment period.

Draft alternatives are now being developed for an Aircraft Management Plan which will be out for a 60-day public review period in June and July 1986. A final plan is expected to be submitted to the Secretary of the Interior in September 1986.

15. Question: Has the computerized reservation system for the backcountry office been installed yet? If not, when do you anticipate this system will be available and operating?

Answer: The computerized reservation system is currently being reviewed by the National Park Service for its possible use in other areas of the System. When this is completed, it is expected that the reservation system will be put into operation at Grand Canyon. It should be fully operational in late 1986.

16. Question: I understand the campgrounds on the South Rim of the Canyon have been closed to the public for the winter season. Why was this decision to close these facilities made?

Answer: The Mather Campground at the South Rim Village has been closed during the winter months of this year. An arrangement was worked out with the major park concessioner to provide space for campers in the concessioner-run trailer village. This arrangement provided for campers not wishing to use hookups to get a site for $6 a night (the same price charged in the National Park Service campground). Also, the Golden Eagle and Golden Age passports were to be honored as in the National Park Service campgrounds. This arrangement saved $16,000 for the National Park Service by not having to operate the Mather Campground during the low use season.

The Mather Campground opened on March 15, 1986, for regular summer use.

17. Question: I understand that a grazing lease on the northern boundary of the Canyon expired recently. What is the status of grazing activity in the Canyon?

Answer: In late 1984, a letter was sent to persons holding grazing permits on the northern boundary of Grand Canyon stating that grazing would be terminated in the park on January 3, 1985. A range study was conducted in the park by the U.S. Forest Service that definitely pinpointed grazing impacts. While no grazing is going on in this area today, the National Park Service plans to fence portions of this boundary as a safeguard against trespass grazing.

18. Question: Has there been any thought given to fencing the park off from grazing adjacent to the park? If so, will there be a fence installed in the near future? How much will it cost?

Answer: Fencing is seen as a need in this area. It is estimated that 25 miles of fencing at a cost of $435,000 would be required. The installation of this fence is not planned for the immediate future because of budget limitations.

19. Question: I know you have had numerous conversations with my staff about the housing problems at Grand Canyon. Could you comment on the housing situation for the Committee?

Answer: The housing situation at Grand Canyon remains as has been discussed in the past. Approximately $240,000 have been spent on some of the older houses to make them more liveable. There is still an overall shortage of appropriate housing in the park.

20. Question: Does the Park Service have any plan to provide some solution to the housing shortage problems?

Answer: With very limited construction budget requests for the foreseeable future because of the deficit situation, we see little hope of being able to make any immediate broad-scale improvement in the housing picture at Grand Canyon.

21. Question: How much would it cost to rehabilitate existing houses and build new ones for permanent and seasonal employees?

Answer: At the present time, $240,000 per year is going into staff housing at Grand Canyon to rehabilitate existing housing. This effort is going to require a number of years before the rehabilitation can be considered to be at standard. In addition, it is estimated that $4.7 million would be required to address the park's overall housing shortage at this time.

22. Question: Has any thought been given to a lease arrangement with an outside concessionaire? What has been the nature of these discussions?

Answer: The National Park Service has discussed with the concessioner the possibility of building and leasing to the Government housing for National Park Service personnel. After a review of the issue, the concessioner has declined to enter into such an arrangement.

Saguaro National Monument

23. Question: What is the status of activities the Region is undertaking to meet the Congressional directive to add $150,000 to the base operations at Saguaro National Monument?

Answer: Since the $150,000 that was added to the budget for Saguaro National Monument had to be taken from available funds, it has been provided to the park in fiscal year 1986, but has not been added to the park's base. The Service redirected funds from maintenance repair and rehabilitation projects to provide the $150,000 to Saguaro National Monument. These projects cannot be deferred indefinitely.

24. Question: How can seasonal employees be expected to provide the continued level of service necessary to overcome the deficiencies at the Monument?

Answer: Seasonal employees are always a major part of a park's workforce when there are seasonal periods in visitation. The training of seasonal personnel and their reemployment over a period of years have made them a dependable workforce. Federal employment is managed on a full-time equivalency basis. The manager has the option of full-time or seaonal employment, but must manage to stretch his or her employment ceiling to the maximum, hence, seasonals hired to coincide with seasonal peaks in visitation is a necessity and a prudent use of appropriations.

25. Question: I understand that there are numerous trespass violations by hunters and others onto Park grounds because there is no designated boundary for the west unit. Why has the Park Service not taken any initiative on fencing the park boundary?

Answer: The boundary of Saguaro National Monument, including those additions made to the Tucson Mountain Unit, has been designated - that is, the boundary is established on the ground and signs indicating this to be the boundary of an area of the National Park System are in place. The added step to fence the boundary has not been done due to budget constraints. In this regard, not all boundaries of parks are fenced.

26. Question: How much will it cost to fence this unit?

Answer: To fence the additions to the Tucson Mountain Unit of Saguaro would cost $130,000 for 13.6 miles of fencing.

27. Question: What plan do you have to meet the resource, law enforcement, and other needs at this park?

Answer: The relative priority of enforcement as well as other needs of this park must be assessed in relation to other needs in the National Park Service. Certainly Saguaro National Monument is experiencing intense pressure from rapid urban growth. The General Management Plan that is underway now will aid in pinpointing needs in the area from a development standpoint. An operations evaluation a year ago looked at operating matters and provided guidance.

28. Question: When will the General Management Plan for this Park be finalized?

Answer: The General Management Plan for Saguaro is currently scheduled for completion in February 1987.

### Organ Pipe Cactus National Monument

29. Question: I have heard from many people in Arizona that the Organ Pipe National Monument is one of the worst examples of the Park Service's ability to provide sufficient personnel and resources to provide a uniform level of standard to our parks. Would you care to comment on this?

Answer: The National Park Service cannot agree that Organ Pipe Cactus National Monument is one of the worst examples of our ability to provide personnel and resources to care for this area. Organ Pipe Cactus was one of the areas that received most of its development during the Service's Mission 66 Program 20 years ago. Housing, administrative, and maintenance facilities are adequate in our opinion.

30. Question: As you know, Organ Pipe is located southwest of Tucson on the Mexico border. It encompasses 331,000 acres of land and has a budget for fiscal 1987 of $495,000. Because of the close proximity to the border, threats to the resources at this park are growing. Poaching of cactus and reptiles, insufficient manpower to provide law enforcement, visitor interpretation, maintenance for cultural resources, and janitorial services is prevalent. Added to that, Mexican irrigators on the border are drawing down watertables within the Mounument boundaries. What plan does the Service have for responding to the needs at this important park? How much would it cost to bring this Park up to national standards?

Answer: As with all areas in the parks that have needs to meet visitor or resource issues, we have to weigh the relative seriousness and seek increases when possible. However, the Federal deficit situation has not made it possible to provide significant increases for Organ Pipe Cactus National Monument. Poaching is a constant problem in many areas, and while additional staffing can aid in controlling this problem, we also know it is virtually impossible to eliminate. We believe that we have allocated, as fairly as possible, the financial resources available to the Service to meet park needs throughout the System.

31 Question: What assistance do the Border Patrol and State and local governments provide to the Park in terms of law enforcement?

Answer: A major element of assistance in law enforcement comes from the Border Patrol as well as the State and local governments - particularly as it relates to the activities that are within their jurisdiction. However, those activities governed by National Park Service regulations remain the responsibility of the National Park Service.

32. Question: Doesn't outside assistance only respond to highway incidents?

Answer: No, outside assistance deals with issues within their jurisdiction - particularly the Border Patrol, elsewhere in the monument. Illegal aliens and matters of this kind may be dealt with by the Border Patrol at or along the boundary of the park as well as within the monument itself.

33. Question: I am told that with the FY 86 Gramm-Rudman-Hollings sequesters, this unit may have to RIF employees and further reduce service. Organ Pipe is a wilderness area, it has internationally acclaimed resources. Can't the Region shift priorities to ensure that this Park does not continue to deteriorate and shoulder the full burden of these cuts?

Answer: The Region believes that its priorities are appropriate to meet Regionwide needs given the level of funding available to the Region.

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## QUESTIONS SUBMITTED BY SENATOR DENNIS DECONCINI FOR LORRAINE MINTZMYER

### Glen Canyon National Recreation Area

1. Question: In the Fiscal Year 1986 Continuing Resolution the Congress earmarked an additional $600,000 from reprogrammed cyclic maintenance funds to be added to the base operations at the Glen Canyon National Recreation Area. These funds were to be spent for additional personnel to provide operation, maintenance, and law enforcement activities at Glen Canyon. Is the park utilizing these funds already? For what purposes?

Answer: Yes, Glen Canyon National Recreation Area has obligated these funds in fiscal year 1986. A number of critically needed positions and programs are currently supported by the $600,000 increase. These include:

> The new $7 million Dangling Rope Marina is now supported with a skeleton workforce. This is a complex and extensive facility that requires considerable operational and maintenance funding. With a portion of the $600,000, we will be able to open the marina when construction is completed in the spring of 1986. We will provide for ranger, maintenance, and interpretive services at the marina and at Rainbow Bridge National Monument, and purchase essential supplies and materials such as diesel fuel for the generators and boat fuel for patrols and buoy maintenance activities.
>
> In addition, funding has been made available for an archeologist to provide professional support on archeological surveys and clearances for anticipated development, oil and mineral leasing proposals, and working up an archeological data base inventory for the park. The funding also allowed us to reestablish staffing on the San Juan River, in the Escalante Subdistrict, the Colorado River (Lees Ferry to the

Glen Canyon Dam), Lone Rock, Rainbow Bridge National Monument. In these cases, due to budgetary restrictions, we had reduced or eliminated our ranger presence.

The other major program area we were able to partially fund was the Lone Rock Beach camping area where thousands of visitors congregate each day during the summer months. The funding will allow us to provide for additional land and water patrols in the area and improve beach maintenance.

2. Question: I think you will agree that the level of funding for operation and maintenance activities at Glen Canyon has not kept pace with increased visitation and public demands on the resources. What is the Service doing to help bring this park up to national standards?

Answer: The extremely rapid growth of Glen Canyon over the past few years has created a problem. The Regional Office has been able to provide increases in Glen Canyon's budget. This includes base increases and allocation of cyclic and repair and rehabilitation projects. The park base has increased from $2.4 million in fiscal year 1982 to $3.6 million in fiscal year 1986, a 50 percent increase. Glen Canyon currently charges no entrance or user fees. Legislation that would provide for the collection of fees and their use at Glen Canyon would meet most of the recurring operating needs at Glen Canyon National Recreation Area.

3. Question: What impact will the FY 86 Gramm-Rudman-Hollings sequesters have on activities at Glen Canyon?

Answer: The potential impact from Gramm-Rudman-Hollings on Glen Canyon National Recreation Area has been lessened because a portion of the $600,000 fiscal year 1986 add-on was used to fund seasonal staff which otherwise would have been reduced. Seasonal positions which may have been impacted include positions at Rainbow Bridge National Monument and Lone Rock Beach, and a backcountry position for the Escalante Canyon as well as reductions in maintenance, fuel, and other items.

4. Question: Visitation in fiscal year 1985 at Glen Canyon was approximately 2.1 million. What is significant about this figure is that unlike many other parks, most of the visitors to Glen Canyon stay for overnight visits. The area encompasses about 1.2 million acres, many of which are undeveloped and unattended because of insufficient funding. The proposed FY 87 budget for Glen Canyon is $1.2 million, but needs are somewhere in the range of $10 million. Do you have any suggestions on how these improvements and other needs can be financed at Glen Canyon short of additional Federal funding?

Answer: The National Park Service is pursuing alternatives to Federal funding to help meet these needs. We have opened discussions with Del Webb Recreational Properties regarding the creation of a set-aside account for the construction of Government facilities. Most Government facilities (such as roads and utility systems) support concessioner activities. Our proposal would require the concessioner to set aside in an interest-bearing account an amount equal to 5 percent of gross sales. This would be about $1.85 million annually, based on 1985 gross sales. As sales grow due to expansion of facilities, so would the amount of the set-aside. The concessioner would use funds from the set-aside account to construct Government facilities at the direction of the National Park Service.

We are also pursuing mechanisms to supplement our operational needs with non-Federal funding. Glen Canyon is drafting a legislative support package to initiate recreation use fees on a per vehicle basis which would be retained by the park for operations. If implemented, the proposal would generate about $1.5 million per year which could be used to support operations.

Donations are also a significant source of funds to Glen Canyon. Park operations were supplemented with free time or gifts amounting to $364,000 in 1984 and at least that amount in 1985. In the last 3 years, Glen Canyon received about $150,000 per year from Arizona for facilities to supplement fishing, such as fish cleaning and comfort stations. Coconino County is putting a deputy on the lake for boat patrol this summer. The city of Page, Arizona, and the Navajo Generating Plant have supported Glen Canyon in a variety of ways.

5. Question: What sort of financial assistance do the concessioners at Glen Canyon provide to the park? Have there been any discussions about ways to obtain additional funding for the concessioner to finance improvements?

Answer: The concessioners at Glen Canyon currently do not provide any major financial assistance to the area. Franchise fee collections for 1985 totaled $743,265. These funds presently go to the Visitor Facilities Fund, which is used to finance improvements in National Park Service-owned concessioner facilities.

We have opened discussions with Del Webb Recreational Properties regarding the creation of a set-aside account for the construction of Government facilities. Most Government facilities (such as roads and utility systems) support concessioner activities. Our proposal would require the concessioner to set aside in an interest-bearing account an amount equal to 5 percent of gross sales. As sales grow due to expansion of facilities, so would the amount of the set-aside. The concessioner would use funds from the set-aside account to finance improvements at the direction of the National Park Service.

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## QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

Mr. Mott, I have a number of questions related to Harpers Ferry National Historical Park and the New River Gorge National River.

### Harpers Ferry National Historical Park

1. Question: First, with respect to the floods that devastated so much of West Virginia last November, I would like to publicly thank Superintendent Don Campbell and his staff for the many, many hours of hard work and for the fine job they have done

to date in protection and rehabilitating the Harpers Ferry National Historical Park. Mr. Mott, what is your present estimate of the total cost to repair the damage to Harpers Ferry?

Answer: Thank you Senator Byrd, I too am quite proud of the prompt and dedicated actions of Superintendent Campbell, his staff and the other Superintendents and their staffs in protecting park resources during the recent floods. We suffered losses of almost $12 million in the National Capital Region alone but it could have been much worse if not for their immediate action and preparation. The total cost to repair the damage at Harpers Ferry National Historical Park is now estimated at $820,000.

2. Question: How much have you spent to date on these repairs?

Answer: As of the end of January, we have spent $248,500.

3. Question: Will the park be in full operation this summer?

Answer: Yes, we expect the park to be operational this summer. There will be some inconveniences as work crews will be making repairs and refurbishments during the spring and summer months.

4. Question: What remains to be done?

Answer: We have commitments for approximately $571,500 in work yet to be accomplished during the remainder of this fiscal year. This work includes replacement of damaged floors, mechanical systems, canal dredging, hazardous tree removal, repairs to parking area, plastering, recarpeting and replacement of damaged exhibits.

5. Question: My amendment to the FY 1986 Continuing Resolution authorized the Secretary, on an emergency basis, to shift funds from other sources to repair flood damage with the understanding that you would receive supplemental funding later. Has this been done to the fullest extent possible?

Answer: The National Park Service has submitted a request to the Secretary totaling $7 million Servicewide to use his authority to redirect funds to cover the most critical costs this fiscal year for the protection of life and property resulting from the two recent hurricanes and the November 1985 flood.

6a. Question: Mr. Mott, on another matter at Harpers Ferry, I understand that some $7 million will have been spent to complete a new parking lot and entrance road to the Historical Park by mid-1988. Yet you are just now requesting design funding ($30,000) for the visitor contact station at the new parking facility. Apparently construction funding would not be requested until sometime later. Won't the completion of the visitor contact station be out of sync with the construction of the parking lot?

Answer: Funds for construction of the visitor contact facility at Harpers Ferry National Historical Park will be budgeted as priorities permit some time after fiscal year 1987. A design for this facility is currently being developed and should be completed by mid-summer. No funds are available to advance the start of construction drawings from fiscal year 1986 to fiscal year 1987.

6b. Question: Could you initiate the relatively inexpensive ($30,000) design work within available funds this year so that the visitor facility could be completed on time if Congress added the funds to the FY 1987 budget?

Answer: If the $30,000 project planning funds requested in fiscal year 1987 are made available, we anticipate that the construction drawings will be completed early in calendar year 1987. This would allow a contract to be awarded in late spring or early summer of 1987 if construction funds were available. The current schedule for construction of the parking lot and the visitor contact facility is compatible. We anticipate construction of the parking lot would begin in the spring of 1987 and be completed by early fiscal year 1988, followed as soon as possible thereafter by construction of the visitor contact facility. Construction of the parking area would include rough grading and utility connections for the visitor contact facility.

7. Question: How much would you need for construction in FY 1987?

Answer: We estimate the cost of construction of the visitor contact facility at $814,000.

8. Question: The FY 1987 budget proposes a reduction of some $183 million, or 22 percent below the post Gramm-Rudman budget authority level for FY 1986. About one-third of this reduction would be off-set by yet to proposed legislation to raise an additional $59 million from increased user fees.

Given the facts that you haven't had much success in raising fees over the past few years and that legislation hasn't even been proposed yet, what will be the impact on park programs if only the requested level of $655 million is provided?

Answer: The requested level of $655 million includes $59 million from recreation fee revenues. Without these funds, the total request for the "Operation of the National Park System" account would be $596 million. Should only $596 million be provided, the Park Service would be forced to review the entire budget and, in all likelihood, reorder priorities to accommodate the eight programs proposed for transfer from the "Operation of the National Park System" appropriation at the level judged to be appropriate for fiscal year 1987. It is likely that the reductions taken in fiscal year 1986 due to Gramm-Rudman-Hollings would be continued into fiscal year 1987 and some project-oriented programs could be further reduced. The proposed recreation fee legislation was transmitted to Congress on March 10.

9. Question: Will operating hours for some parks be reduced; and, if so, what are the specific changes by park?

Answer: Some park areas have indicated that, due to the reductions mandated by Gramm-Rudman-Hollings in fiscal year 1986, they would be forced to reduce hours of operation. It is likely that this would remain true for fiscal year 1987 as well, however, until operating programs are examined and a current Gramm-Rudman reprogramming exercise is completed, the specific impact of such a reduction on park operating hours would be impossible to predict.

10. Question: What was the basis for identifying those programs and activities that would be funded from the $59 million fee increase?

Answer: The process to determine functions appropriate for funding through the fee revenues involved an examination of National Park Service functions and programs to see which best coincide with the three basic criteria established for selection. The criteria were: (1) funtions which directly benefited the park visitor or provided distinct and identifiable visitor services; (2) functions which were generally not FTE intensive; and (3) functions which met the broad policy initiatives outlined in my 12-point plan to revitalize the Park Service.

By allowing fee revenues to partially fund identifiable visitor services, the National Park Service will provide the visitor who is being asked to pay the fee with a sense of participation in the upkeep and operation of the resources he or she is using. Informational Publications, Visitor Transportation Systems, the Harpers Ferry Exhibit Rehabilitation Program, the Volunteers-in-Parks Program, and the enhancement of park operations are examples of this type of function or program. By keeping FTE's to a minimum, except for the Harpers Ferry programs and the necessary staff involved with fee collection, the Service is better able to program funds that will be expended in the same year as collection. The broad diversity of programs requested in the proposed legislation attempts to incorporate as many facets of the 12-point plan as possible. Strong resource protection programs, such as the Cultural and Natural Resource Preservation Programs and the Repair and Rehabilitation Program, play an important part in the plan's challenge and have the added advantage of having no FTE's associated with the project-oriented programs.

11. Question: Are you saying that, if there is no increase, the Harpers Ferry Center resource preservation activities, for example, will be terminated? How do you plan to fund the Center's preservation activities if the administration's fee legislation does not pass?

Answer: If the proposed legislation is not passed, funding for the eight programs or functions transferred from the "Operation of the National Park System" appropriation would be provided through a revision of the Service's budget and a reordering of priorities to accommodate these items at the level judged appropriate. Essentially maintaining park budgets at the fiscal year 1986 level after the Gramm-Rudman reductions would permit the Service to fund the programs transferred from the "Operation of the National Park System" account. Minor adjustments below the Gramm-Rudman level in lower priority programs would also be considered. It is likely that the reductions taken in fiscal year 1986 due to the Gramm-Rudman-Hollings Act would be continued and project-oriented programs would be further reduced. The important activities at the Harpers Ferry Center would be continued.

### New River Gorge National River

12. Question: Mr. Mott, I'd like to turn to the New River Gorge National River now. Congress provided $300,000 in the FY 1986 Continuing Resolution for acquisition of a new headquarters site. Recently, you announced the selection of a site in Glen Jean, West Virginia. What is the status of your plans for that site--when will the new headquarters facility be completed, and will you need additional funds in FY 1987?

Answer: The Nature Conservancy has acquired an option on the major tract of the headquarters site. If authorization to acquire the property is received, we will then exercise the option of the Nature Conservancy and acquire the property. Acquisition is expected by September 30, 1986.

The preliminary plan for the headquarters site will be completed by April 30, 1986. The design will commence immediately after approval and is to be completed by the end of the calendar year. The plan envisions the rehabilitation of Glen Jean Bank, construction of an administrative office and an operations and maintenance facility. It is estimated that construction will take 1½ years to complete at a projected cost of $2 million.

The funds previously provided by the Congress will be sufficient to complete the planning and no additional funds will be required in fiscal year 1987. The construction amounts will be required when all planning has been completed.

13. Question: I understand that the Park Service may soon propose legislation to revise the boundaries of the New River Gorge National River. What modifications are being recommended and why?

Answer: Public Law 95-625, section 1109 required that a General Management Plan be presented within 3 years of authorization. The plan addressed 14 issues for park boundary revisions. Two major deletions involve Glade Creek, estimated to contain 15 million tons of coal, and the Upper Meadow Creek drainage. Both of these deletions are outside the visual corridor and are of no projected park use. Two major additions are proposed: to acquire acreage in the New River Gorge Bridge area and acreage across from the Grand View State Park. The remaining boundary adjustments are to put boundaries on geophysical and geopolitical lines, i.e., streams, ridges, roads and property lines. It is anticipated that there will be a minimum overall net change in the acreage of the park as a result of the proposed revisions.

There will be a notice placed in the Federal Register with a 30-day comment period commencing the latter part of April. A special briefing was provided to the West Virginia congressional delegation on April 18 outlining the proposals. After comments have been received from the public and reviewed and acted upon, a complete package will be submitted for congressional approval.

## QUESTIONS SUBMITTED BY SENATOR J. BENNETT JOHNSTON

### Jean Lafitte National Historical Park

1a. Question: I understand the President's FY 1987 budget takes $1.5 million from the Jean Lafitte land acquisition account and redistributes this money for other uses in the region. In effect, does this not amount to a rescission?

Answer: Let me correct a misunderstanding and make it clear that the funds in question were not taken by the fiscal year 1987 budget rescission proposal. Under appropriately invoked authority provided under the Administrative Provisions for the National Park Service, $3.0 million was transferred from the "Land Acquisition" appropriation for the purpose of covering the cost incurred during 1985 for unforeseen law enforcement needs. Of the $3.0 million, $1.5 million was charged against Jean Lafitte National Historical Park appropriations. The balance was taken from a number of other areas. The funds remaining for Jean Lafitte National Historical Park are adequate to complete the Land Protection Program based on current estimates.

1b. Question: What is the Administration's justification for redistributing these funds?

Answer: In fiscal year 1985, $1.5 million was redirected from land acquisition for Jean Lafitte National Historical Park to cover a portion of the emergency law and order costs. The Service did not anticipate the timely obligation of these funds due to an ongoing dispute over zoning restrictions in the area proposed for acquisition.

2. Question: The President's FY87 budget contains a rescission of $558,000 from the construction account for exhibits at the Barataria Marsh Unit Visitors Center. This Center is scheduled to open this spring. Can you tell me what is the use of a visitor's center that does not contain any exhibits?

Answer: In order to reduce Federal spending to levels consistent with those established in the Balanced Budget and Emergency Deficit Control Act of 1985, the Administration is proposing to rescind funding for a number of projects which Congress approved for fiscal year 1986 including funding for exhibits at Jean Lafitte National Historical Park. Exhibits do enhance the function and attractiveness of park visitor centers. This project, however, can be deferred to future years.

3a. Question: As you know, Jean Lafitte Park is a unique park. Unlike Yellowstone, it is located in many different places in Louisiana and its purpose is to preserve Louisiana's unique and colorful heritage. You could say it is a cultural park. To further this goal, in FY86 Congress appropriated $249,000 for the construction of a satellite unit in Eunice. The purpose of this unit is to preserve the Cajun heritage in the State. The President's FY87 budget rescinds these funds. Furthermore, the President proposes rescinding 79 percent of the FY86 funding for the Historic Preservation Fund and proposes no funding for this program in FY87. Taken together, I fear that these rescission will irreparably damage the preservation of Louisiana's culture. Do you have any comments on this matter?

Answer: The Administration's budget proposal for fiscal year 1987 assumes that sufficient interest and expertise in cultural preservation exist at the local level to ensure the preservation of cultural features of local, State, and national significance. The Federal Government continues to support private sector involvement in preservation through an effective program of economic and tax incentives.

3b. Question: Do you intend to charge a user's fee at Jean Lafitte Park?

Answer: The Service presently has no plans to charge an entrance fee at Jean Lafitte National Historical Park. A more indepth review of the services available to park visitors is needed before a final decision can be made on the appropriateness of charging user fees.

## Historic Preservation Fund

4a. Question: The President's budget rescinds 79 percent of the FY86 funding for the Historic Preservation Fund and proposes no funding for this program in FY87. In 1985, Louisiana ranked approximately 25th in the nation in terms of population; however, it ranked 4th in receipt of Federal historic preservation funding, much of which is used to comply with Federal mandates. If this rescission goes through, I have been advised that the State Office of Archaeology and Historic Preservation, the office that oversees distribution of the State's share of historic preservation funds will lay off five to seven of its twelve employees on August 1 of this year and will close the office on August 1, 1987. I understand that other States will find themselves in similar situations.

If this occurs across the country, will we simply have to hire more people at the Federal level to handle the chores that are currently handled at the State level (i.e., administration of the national registry program, conduct environmental reviews)?

Answer: Over the past 18 years, the Federal Government has committed $434 million in grants and an additional several million dollars in technical support to help establish a network of State preservation programs which now function effectively and should be able to continue to do so with other than Federal assistance. The Administration believes it is the proper responsibility of individual States and Federal agencies to define their program interests and responsibilities, to identify their resource needs and to carry out their programs. The variety of State grant-assisted activities--survey and evaluation of resources, nomination of properties to the Federal Register, technical assistance and advice to Federal and State agencies and local governments, education programs, rehabilitation of properties in deteriorating neighborhoods and commercial areas and establishing local preservation programs--clearly have a purpose and value beyond fulfillment of Federally mandated responsibilities. Therefore, the cost of these State programs, which current grants assist in covering, should be borne by the States.

4b. Question: If so, will we ultimately experience a budget savings or will we simply be shifting funds from one account to another? Have you examined whether this rescission will result in delays in conducting environmental reviews, etc.?

Answer: While it is anticipated that without grants some States will initially reduce their program staffing levels or even drop out of the program temporarily, we believe that the States will find it in their interest to participate in most preservation activities, particularly the National Register and tax incentives programs. Where States are not able or do not qualify to carry out review functions related to the Tax Act and National Register programs, the National Park Service will review applications and National Register nominations when submitted directly to the Service as provided for under current law and regulation. If increases in program workload should occur, they will be handled by adjusting the allocation of existing resources. It is not planned that environmental review functions, survey and planning, and technical assistance functions performed by States will be assumed by the Park Service.

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## QUESTIONS SUBMITTED BY SENATOR LAWTON CHILES

### Canaveral National Seashore
### Playalinda Beach Access Road

1. Question: Last year Congress recommended that the Park Service utilize $500,000 within the Federal Lands Highways Program planning funds to begin the relocation of the beach access road in Canaveral National Seashore. This relocation is necessary because of security demands for future Space Shuttle launches from the Kennedy Space Center. What is the status of planning efforts for the relocation?

Answer: A preliminary meeting was held on March 6 at Canaveral National Seashore with the following agencies in attendance: National Park Service, Federal Highway Administration, Fish and Wildlife Service, and National Aeronautics and Space Administration. The Federal Highway design group has performed a field review, and data collection is underway. We expect preliminary drawings to be started this summer.

2. Question: Will the relocation of the beach access road be funded from the Federal Lands Highways Program?

Answer: Yes, the relocation of the beach access road has been programmed in the Federal Lands Highways Program.

3. Question: At one point the National Park Service estimated that the plan would cost about $6.2 million and would take three years to complete the planning and the construction:

| | |
|---|---|
| FY86 | $500,000 |
| FY87 | 1,500,000 |
| FY88 | 4,200,000 |

What is the current schedule for planning and construction (by fiscal years)?

Answer: The present estimate for construction is $5 million which could be obligated in fiscal year 1988. The Federal Highway Administration believes that due to the extensiveness of the project and the requirement for several compliances, they will not be able to produce bidding documents before the end of fiscal year 1987. They speculate that the funds provided are sufficient for the planning process. Estimated time to complete is 12-15 months.

4. Question: If construction were to be completed by 1988, what would your funding needs be for this fiscal year?

Answer: As we answered in the previous question, construction award is not likely to occur before fiscal year 1988. No funding other than the $5.0 million for construction is needed for this project.

5. Question: Please confirm that any delays in shuttle launches will have no impact on Park Service plans to complete the relocation of the Playalinda access road by 1988.

Answer: Delays in shuttle launches will have no impact on the Park Service plans to advertise a contract to relocate the Playalinda access road if funds are available in fiscal year 1988. However, as stated previously, it appears unlikely that the Playalinda access road relocation could be completed before the end of fiscal year 1988.

Gulf Islands National Seashore

6. Question: Last year funds were appropriated to initiate construction of the Gulf Islands National Seashore visitor facility at Naval Live Oaks. Please provide a status of the funds provided and expended thus far for this project.

Answer: Of the $2,663,000 available in fiscal year 1986 (after required reductions by Gramm-Rudman) approximately $45,700 has been spent as of February 1986 for work on plans and specifications.

7. Question: Please provide a proposed schedule for completing this facility based on annual appropriation capability.

Answer: The proposed bid schedule on the building is for bidding documents to be completed June 15, advertisement to take place July 15, with an award date of September 15. Construction should begin in October. Completion is scheduled for late fall of 1987.

The production of the interior, wayside, and audiovisual exhibits must be finished to coincide with the completion of the building contract since until that time, there will be no place to store them. Obligation of this portion of the package will occur in fiscal year 1987.

8. Question: Is this project still a priority with respect to Park Service Construction projects?

Answer: The completion of the Naval Live Oaks Visitor Facility/Headquarters building is a high priority with the National Park Service.

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## QUESTIONS SUBMITTED BY SENATOR QUENTIN N. BURDICK

### Knife River Indian Villages National Historic Site

Last year the Senate Report on Interior Appropriations included a reference to the Knife River Indian Villages National Historic Site. The restoration of the site was authorized in 1974, however, no funds have been requested for the project. I would appreciate your providing this Subcommittee with the following information regarding this site:

1. Question: What is the projected timetable for funding this project?

Answer: Given the fact that the Service has identified nearly one-half billion dollars in higher priority construction needs, no active planning is underway nor has a tentative year of construction funding been identified. It is apparent that at present program levels, there is very little likelihood that planning or construction funding for either project will be requested in the near future.

2. Question: What priority has the National Park Service assigned to the site? How is the priority list determined?

Answer: Knife River has a Regional construction priority of 26 and a Servicewide priority of 364.0. The Service's Servicewide or nationwide priorities are determined jointly by a committee of the Regional Directors of the National Park Service with the Director of the Service serving as chairman.

3. Question: What would the initial year funding be for full development of the site?

Answer: National Park Service planning and design personnel estimate that 2 years of planning would be required in advance of construction funding. The current estimate for the first year is $435,000 and $250,000 for the second year.

It is important to note that during 1985, the Service initiated efforts for obtaining alternative funding sources and arrangements for certain park units. It is hoped that such areas as Knife River Indian Villages might benefit from joint fund raising efforts with private groups and foundations. This special initiative does not, however, change the current construction priority of this project.

## QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

### Natchez Trace Parkway

1. Question: What is the current status of efforts to complete the Natchez Trace Parkway system? At the end of fiscal year 1986, what funds will be needed to complete the project and what is the estimated completion date?

Answer: The completion of the Natchez Trace Parkway continues to be a high priority with the National Park Service evidenced by our commitment to program a portion of each year's Federal Lands Highways Program to complete this project. At the end of fiscal year 1986, preliminary estimates indicate a need for an additional $85 million for parkway completion. No completion date can be estimated since funding levels can not be predetermined. If funding levels remain at $5 million a year, it appears it will take 17 years to complete.

2. Question: What sections of the parkway will receive priority with the funds requested for 1987 ($5.5 million)?

Answer: The continuation of Section 1B will receive priority with the funds requested for fiscal year 1987 ($5.5 million). This funding should allow for the construction of an additional 3 miles extending the parkway approximately 5 miles north of the Williamson-Maury County line in Tennessee.

3. Question: If additional monies were available, what would be the next priority sections of the parkway which would receive attention?

Answer: If additional monies were available, the next priority section to be constructed would be the completion of the parkway to Nashville, Tennessee, which after fiscal year 1987 funding, includes approximately 6 miles of Section 1B (an 11-mile section from the Williamson-Maury County line to old Highway 96 near Leipers Fork) and Section 1A (a 12-mile section from old Highway 96 to Highway 100 near Nashville). These sections will complete the Tennessee portion of the parkway. Present estimates for this construction are between $30-35 million.

## SUBCOMMITTEE RECESS

Senator McClure. Thank you very much for your appearance here today. I appreciate your management of the resources you have, and Mr. Mott, I think you're doing a remarkably effective job in the administration of the National Park Service.

Mr. Mott. I want to thank you, Mr. Chairman, and your subcommittee for the support you have given the Park Service. We are trying to do our job as effectively as we can, and I think we are doing a great job.

Senator McClure. Thank you very much.

The subcommittee will stand in recess until 2 p.m., Thursday, March 15, at which time we will receive testimony from the Office of Indian Education and the National Endowment for the Humanities.

[Whereupon, at 4:05 p.m., Tuesday, March 11, the subcommittee was recessed, to reconvene at 2 p.m., Thursday, March 13.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1987

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THURSDAY, MARCH 13, 1986

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, DC.*

The subcommittee met at 2:15 p.m., in room SD–138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senator McClure.

## DEPARTMENT OF EDUCATION

### OFFICE OF INDIAN EDUCATION

**STATEMENT OF LAWRENCE F. DAVENPORT, ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION**

**ACCOMPANIED BY:**

- **HAKIM KHAN, ACTING DIRECTOR, INDIAN EDUCATION PROGRAMS**
- **BRUCE M. CARNES, DEPUTY UNDER SECRETARY FOR PLANNING, BUDGET AND EVALUATION**
- **LAWRENCE L. BROWN, DIRECTOR, DIVISION OF ELEMENTARY, SECONDARY AND VOCATIONAL ANALYSIS, OFFICE OF PLANNING, BUDGET AND EVALUATION**

#### BUDGET REQUEST

Senator McCLURE. The committee will come to order. This is the time scheduled to review the fiscal year 1987 budget request for the Office of Indian Education and the National Endowment for the Humanities.

We will begin with the Office of Indian Education.

The fiscal year 1987 budget request for the Office of Indian Education totals $75,729,000, an increase of $8,658,000 over fiscal year 1986 appropriations to date.

Of the amount appropriated for fiscal year 1986, $2,884,000 is sequestered.

### PREPARED STATEMENT

Mr. Davenport, we welcome you before the committee. Your complete opening statement will be included in the record at this point. If you would introduce those with you at the witness table, we will proceed with the questions.

[The statement follows:]

## STATEMENT OF LAWRENCE F. DAVENPORT, ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION ON INDIAN EDUCATION

I appreciate this opportunity to appear before you to discuss the 1987 budget and legislative proposal for the Indian Education Act.

The Department of Education is requesting $75.7 million for Indian Education Act programs. This request is an increase of $11.5 million over the 1986 post-sequestration budget for Indian Education. The budget is based on reallocation of responsibilities for Indian education between the Department of Education and the Department of the Interior and supports educational reforms in programs for Indian children. The net effect of our proposal is to keep total funding for affected programs in the two Departments approximately level with the 1986 funding level.

While the largest portion of the budget request depends on passage of proposed legislation -- specifically the proposal for a new State grant program for Indian children -- the remaining actions proposed do not require authorizing legislation because they can be accomplished through appropriation action.

### Overall Budget Strategy

The FY 1987 Indian Education budget proposes $70,323,000 for a new program of grants to States for Indian children, $2,940,000 for adult education, and $2,466,000 for program administration. The State grant program consolidates our Part A Grants to LEAs program and the Bureau of Indian Affairs' Johnson O'Malley program. The adult education and program administration activities are essentially continued from the current activities. All remaining Indian Education Act programs are either proposed for transfer to the Bureau of Indian Affairs or are phased out and their funds redistributed to the proposed State grant program.

### Grants for Indian Children in Public Schools

We request $70,323,000 for the new program of grants to States for Indian children in public schools. This is approximately the same amount as was appropriated in 1986 for the Part A Grants to LEAs program, the Johnson-O'Malley program, and the Part B resource centers and educational personnel development programs.

The reasons for proposing this new program include the need to (1) reduce overlap and duplication between the current major programs for Indian children in public schools (the Department's Part A Grants to LEAs and BIA's Johnson-O'Malley programs), (2) involve State departments of education more actively in the administration of Indian education, and (3) direct the funds to Indian children who are in greatest need of services.

Both the Part A Grants to LEAs program and the Johnson-O'Malley program provide similar services to overlapping populations. More than 90 percent of Indian children served under BIA's Johnson-O'Malley program are in school districts that also receive Department of Education Part A Grants to LEAs funds. All of the Johnson-O'Malley children are eligible to participate in Part A Grants to LEAs programs. The consolidation of these programs for public school children would eliminate the need in each district for two parent committees, two project directors, and two applications for funding. It would free districts to concentrate on developing the best program for their Indian children, rather than on program coordination and reduction of overlap.

A second objective of our reauthorization proposal is to bring the States more actively into the administration of Indian education programs. The States have taken the lead in improving education across the country. Yet the Department's Indian education formula grant program has always been administered on a direct Federal-to-local basis. Under our proposal, Federal funds would flow to State educational agencies, which would be responsible for assessing local applications for funding and monitoring local programs, as they do in our other major elementary and secondary programs, such as Chapter 1 and Education for the Handicapped.

Because States are closer than the Federal Government to the local communities where programs are actually administered, and because the States have become so active in educational reform, we believe this change in the law would ensure that Indian education is an integral component of the national campaign for educational excellence.

Finally, while the Indian population remains very disadvantaged educationally, there have been significant gains since 1970. Instead of allocating funds to all Indian children regardless of need, the new State grant program will target funds more heavily on Indian children who are educationally disadvantaged.

We anticipate that the 1987 request of $70,323,000 for grants to States will permit funding of projects in some 1,280 local school districts located in 42 States. Approximately 257,000 Indian children will be assisted, at an average Federal cost of $275 per child.

## Grants for Indian Children in Indian-Controlled Schools

No funds are requested in the Department of Education budget for the Part A Indian-Controlled Schools program, which primarily funds BIA-contract schools. Instead, the BIA's 1987 budget has been increased by an amount approximately the same as the 1986 Department of Education appropriation for this program.

Because both the Department and the BIA currently provide these schools with funding, the Federal investment in BIA-contract schools is much higher than is the case with BIA-operated schools. Yet the BIA's appropriation is intended to provide full operating support for all its schools, both those it operates and those it contracts to tribes. Thus, Indian children in one type of school have less opportunity for special programs than in others, yet there is little difference in the needs of the children.

Since these schools receive basic support from the BIA, which sets standards for their operation and is responsible for seeing that sufficient funds are provided for effective programs, the Department of Education proposes to divest itself of programs that also provide support to Indian-controlled schools. This will reduce the multiple, uncoordinated sources of funding for the schools, will result in a more equitable distribution of funds for children in BIA-supported schools, and will designate one agency as responsible for providing primary aid and technical assistance to them.

BIA proposes to use the funds for enrichment projects, similar to those currently funded by the Department, but all BIA schools will be eligible to apply for them, not just the BIA-contract schools.

## Adult Education

For adult education, the budget includes $2,940,000, an increase of $143,000 over the 1986 post-sequestration level and approximately the same as the 1986 enacted appropriation. Funds would be made available on a competitive basis for projects to enable Indians to acquire basic literacy skills and to complete secondary school or its equivalent. We estimate that the 1987 budget will permit the Department to make approximately 25 to 30 adult education grants for projects serving close to 10,000 Indian adults.

The proposed legislation would continue the current Part C Indian adult education program, although specific funding for planning, pilot, and demonstration projects would be eliminated. Should the new legislation not be approved in time for the 1987 budget, we would propose to use funding provided for adult education under the current Part C authority for educational services programs.

## Special Programs for Indian Students

No funds are requested by the Department of Education for the four Part B programs for Indian students. Under our legislative proposal, the authority for Part B Special Programs for Indian Students would be repealed.

For 1987, we have requested no funds for the Part B Indian fellowship program; its funding has been included in the BIA's budget for its fellowship program. The Part B fellowship program is a major area of overlap between the Department and the BIA. Both agencies operate similar fellowship programs, although our program awards funds to undergraduate as well as graduate students and provides funds to students from non-federally recognized as well as federally-recognized Indian tribes. The extensive overlap in the potential applicant pool makes administrative coordination very difficult. The adverse effect of this proposal should be minimal since any Indian students who are unable to obtain BIA fellowships should be able to participate in our regular student assistance programs.

No funds for Part B special programs for Indian children (pilot, planning, and demonstration projects and educational services projects) are requested. These projects duplicate many different programs, but serve a majority of federally-recognized Indian children, including many in the BIA-contract schools. The BIA's budget request has been increased by an amount about the same as the 1986 appropriation for these projects. BIA proposes to consolidate the funds into a program of enrichment grants for all BIA schools, along with the funding from the Part A Indian-Controlled Schools program.

In support of our legislative proposal, the Department has requested no funds for Part B resource and evaluation centers, which provide technical assistance to local applicants and grantees. The State educational agencies would provide technical assistance under our new proposal, so the resource and evaluation centers would not be needed.

Finally, no funding is requested for the Part B educational personnel development programs. States will be able to use some of their funds under the new State grant program for teacher training, and the BIA has included teacher training as one of the eligible activities for its new enrichment program. In addition, the Secretary of Education's teacher training initiative, which has been submitted to Congress as proposed legislation, would set aside funds for BIA teacher training activities as well as provide grants to States for which Indian tribes and organizations would be eligible. Finally, students currently served under the Part B educational personnel development programs are eligible for grants and loans under the Department's regular student assistance programs.

## Program Administration

For fiscal year 1987, $2,180,000 is requested to cover the administrative costs of the Office of Indian Education. This is a $173,000 increase over the 1986 post-sequestration level. The Department expects that the current staffing level will be maintained in 1987. The small increase in budget authority requested will be used to meet increased costs for rent, communications, travel, and data processing services.

The National Advisory Council on Indian Education will be continued under the new statute. The 1987 budget request for the Council is $286,000, a $74,000 increase over the 1986 post-sequestration level. The requested increase is to meet rent, communications, and utilities costs which NACIE had not been required to pay in the past and for travel, consultants, printing, and other services. Although some of the Council's current activities such as review of project applications will be eliminated, the Council will continue to be authorized to evaluate and advise the President and the Secretary on any Federal programs in which Indians participate or from which they can benefit.

My colleagues and I will be happy to respond to any questions you may have.

## INTRODUCTION OF ASSOCIATES

Mr. DAVENPORT. Thank you, Mr. Chairman.

To my immediate right is Bruce Carnes, the Deputy Under Secretary for Planning, Budget and Evaluation. To my far right is Lawrence Brown, Director, Division of Elementary, Secondary and Vocational Analysis, Office of Planning, Budget and Evaluation. To my immediate left is Hakim Khan, Acting Director of Indian Education Programs.

Senator McCLURE. Thank you very much.

The budget request for the Office of Indian Education is based upon legislation which has yet to be sent to the Congress. When can we expect that the Bureau of Indian Affairs, the Department of Education and the Office of Management and Budget will have signed off on the legislative proposals?

## TIMING OF PROPOSED LEGISLATION

Mr. CARNES. Mr. Chairman, we are currently in the process of actually drafting bill language which we will be presenting very shortly to OMB to coordinate with the Bureau of Indian Affairs. We are hopeful that we will have actual legislation to propose in early to mid April.

Senator McCLURE. Won't be up here in time for us to consider it when we go through the budget resolution, will it?

Mr. CARNES. It is possible, sir. However, a number of the provisions which we are advocating can be accomplished without amending the authorizing statute.

Senator McCLURE. Well, the authorization will be constrained by the budget resolution.

Mr. CARNES. Yes, sir.

Senator McCLURE. While the authorizing committees may have a chance to look at it, it will be after the budget resolution has been reported by the Budget Committee, and I am a little concerned by the effects of the Budget Act and its schedule and Gramm-Rudman-Hollings and its schedule which asks us to change basic law after the first decisions are made.

Mr. CARNES. Yes; we quite understand the situation in which the committee finds itself, Mr. Chairman.

I might also add that in terms of the budget that we are talking about, essentially we are seeking under our proposal what would amount to the same amount of funding on behalf of Indian education that would have existed if our proposal were not enacted.

Senator McCLURE. As you know, the House Interior Appropriations Subcommittee is scheduled to mark up the fiscal year 1987 bill on May 15. So, even the authorizing schedule is going to be pushed very hard. I don't see how in the world we are going to see them, take it to the floor of the House, get it over here, have us act on it, take it to the floor of the Senate, go to conference, get all that done by May 15.

Mr. CARNES. That may very well end up the way it does work out in the end. I think we are alive to these concerns, and we would again continue to seek whatever amendments we could this year or in following years.

## PROPOSED LEGISLATION

Senator McClure. Based on the information available in the justification, it is proposed that the Johnson-O'Malley Program which is operated by the Bureau of Indian Affairs be terminated and that the current Part A Program of the Office of Indian Education, which provides grants to local education agencies in the Indian-controlled schools, be terminated.

These two programs would be merged into a program of grants to State education agencies. The allotments to States would be based on the number of Indian children in public school or national average per-pupil expenditure, whichever is higher. The States could, and probably would, take 5 percent off the top for administrative expenses, and would then redistribute the funds to local education agencies which choose to operate a program, based on the number of Indian children in the public school district with additional consideration for Indian children from low-income families, the number of Indian children who score low on achievement tests, or the number of Indian children living in sparsely populated areas.

If a local education agency chose not to operate a program, the tribe could apply to the State for funding.

Is data currently collected by the school districts on these various weighting factors which would be used in distribution of the funds by the States?

Mr. Brown. We have very preliminary data.

I might point out that because of the provision that there be 100 percent hold harmless on the moneys that were distributed under both Johnson-O'Malley and under the Title IV Program, no State would lose any money. Some States would gain. The gains right now, I'm a bit hesitant to give you because I think they are too preliminary.

## FUNDING REQUIRED

Senator McClure. Well, if that is true, there is 100 percent hold harmless in the opportunity for gain, then the total appropriation has to be higher, doesn't it?

Mr. Brown. Well, our request is higher than it was last year.

Senator McClure. The request is higher?

Mr. Brown. Our request represents essentially the total sum of the amount that was available for Johnson-O'Malley, and for title IV.

Senator McClure. I understood you to say there is 100 percent hold harmless, and some States could gain. That is a formula by which the total rises.

Mr. Brown. I'm sorry. Assuming there were increases in the amount appropriated.

Senator McClure. Oh, assuming that.

Mr. Brown. Yes.

Senator McClure. Have you requested additional amounts?

Mr. Brown. No, sir.

Senator McCLURE. What is the likelihood you are going to get them, then?

Mr. BROWN. That is up to you. [Laughter.]

### ELIGIBLE CHILDREN

Senator McCLURE. That's up to us. Just add it to the deficit.

Have you talked to OMB lately? [Laughter.]

Would there be a requirement that a program be offered in each district where children were counted for the purpose of determining eligibility for funding?

Mr. DAVENPORT. Where the children were counted, sir?

Senator McCLURE. Yes.

Mr. DAVENPORT. If they submit a plan, yes.

Senator McCLURE. The Johnson-O'Malley Program provides assistance to approximately 177,000 Indian children enrolled in public schools in 26 States. The Office of Indian Education counts 347,000 Indian children as eligible in 42 States.

The large discrepancy in the figures is due to the fact that your program counts as eligible nonfederally recognized Indians. It would seem therefore that the net impact of this change would be to take money from traditional Indian country and redistribute those funds to the East and Midwest. Is that accurate?

Mr. DAVENPORT. No, sir; that is inaccurate because, first—let's back up a step on this. Most of the students who are receiving Johnson-O'Malley dollars are also receiving Indian education dollars under title IV. The majority of Johnson-O'Malley students are being served by both programs. There would not be a shift to the East. There might be an increase in California, Oklahoma, and some of the Western States. But, there would not be a shift to the East.

Senator McCLURE. It would not be a shift?

Mr. DAVENPORT. No, sir.

### HOLD HARMLESS PROVISION

Senator McCLURE. Are you going to grandfather them forever?

Mr. DAVENPORT. The hold harmless provision in our draft bill would protect any State from receiving less funding, in any year, than the LEA's and tribes within the State received under Indian education, Part A and the Johnson-O'Malley Program for 1986. Thus, no State would lose funds. The life of this provision is 5 years, so they would be grandfathered.

Senator McCLURE. Five years grandfathered?

Mr. DAVENPORT. Yes.

### DISTRIBUTION TO STATES UNDER LEGISLATIVE PROPOSAL

Senator McCLURE. Have you made a separate estimate of how much the gainers would gain?

Mr. BROWN. Let me say this. Before, I said that the same amount of money had been requested for the two combined programs as in the previous year. If the comparison is made between the Gramm-Rudman level—that is the level for these two programs after the sequester—there is more money in our request. There is about $7 million more. And, based on that additional amount, we have made some preliminary redistribution estimates.

Senator McClure. Can I ask the question this way, then.

You have made—as I understand you, you say there is $7 million more and you have estimated redistribution based upon that $7 million?

Mr. Brown. Yes.

Senator McClure. Is that the sequence in which it occurred, or did you estimate the amount of redistribution to determine how much more there should be?

Mr. Brown. Oh, no. We took the amount we requested, distributed it and compared it against the Gramm-Rudman level.

Senator McClure. And came up $7 million higher?

Mr. Brown. No.

Senator McClure. Or, you took Gramm-Rudman and added $7 million.

Mr. Carnes. If I could, Mr. Chairman, what we are seeking to do in 1987 is restore funding in this area to the level prior to the Gramm-Rudman sequester in 1986. So, we are restoring the funding back up to the actual 1986 level for both pieces of legislation.

When we allocate the funds by State according to our proposal, several States, we believe, will have an increase in their allocations, but no State will get less than they got in 1986.

Senator McClure. And as I understand what you are telling me, you believe that that $7 million will be enough to fully fund the gainers?

Mr. Carnes. Well, what we are doing was taking the $70 million requested, the entire $70 million that we would have available for Indian education, and distributing it according to the formula by which you apportion it among the States.

Our objective was simply to restore the total level of funding for Indian education to its pre-Gramm-Rudman level. Then we allocated it. It wasn't a question of starting with a formula and seeing what it costs——

Senator McClure. All right. If you would provide for the record what your estimate is of the States that are likely to gain and how much they would gain so we can determine how much more money it would take?

Mr. Carnes. OK. I understand your question.

[The information follows:]

### STATES WHICH WOULD LIKELY GAIN UNDER THE STATE GRANT PROGRAM

The following table displays a highly estimated distribution of funds under the proposed State grants for Indian children program. It includes estimated fiscal year 1986 funding, estimated fiscal year 1987 funding under the new program, and the difference between the two years. No State would lose funding under this program, but some would gain significantly from any increases. The largest increases would likely go to Oklahoma, California, and North Carolina.

## ESTIMATED DISTRIBUTION OF FUNDS TO STATES

|  | FY 1986 FUNDING ESTIMATED DISTRIBUTION |  |  |  |  |
|---|---|---|---|---|---|
| STATE | PART A GRANTS TO LEAS | JOHNSON-O'MALLEY | TOTAL | 1987 ESTIMATED FUNDING | DIFFERENCE FY 1986 - FY 1987 |
| TOTAL | $43,675,000 | $19,618,000 | $63,293,000 | $70,323,000 | $7,030,000 |
| ALABAMA | $704,202 | $0 | $704,202 | $1,243,359 | $539,157 |
| ALASKA | $6,467,901 | $5,053,542 | $11,521,443 | $11,521,443 | $0 |
| ARIZONA | $3,775,562 | $3,429,238 | $7,204,800 | $7,713,468 | $508,668 |
| ARKANSAS | $126,326 | $0 | $126,326 | $246,420 | $120,094 |
| CALIFORNIA | $3,636,538 | $416,337 | $4,052,875 | $5,356,469 | $1,303,594 |
| COLORADO | $202,344 | $78,197 | $280,541 | $351,486 | $70,945 |
| CONNECTICUT | $25,008 | $0 | $25,008 | $33,933 | $8,925 |
| FLORIDA | $76,236 | $38,008 | $114,244 | $115,866 | $1,622 |
| HAWAII | $11,551 | $0 | $11,551 | $14,565 | $3,014 |
| IDAHO | $185,384 | $182,666 | $368,050 | $368,050 | $0 |
| ILLINOIS | $116,860 | $0 | $116,860 | $150,502 | $33,642 |
| INDIANA | $7,993 | $0 | $7,993 | $12,729 | $4,736 |
| IOWA | $93,291 | $49,445 | $142,736 | $142,736 | $0 |
| KANSAS | $190,475 | $64,965 | $255,440 | $259,399 | $3,959 |
| LOUISIANA | $306,930 | $7,912 | $314,842 | $431,819 | $116,977 |
| MAINE | $40,588 | $19,369 | $59,957 | $59,957 | $0 |
| MARYLAND | $149,033 | $0 | $149,033 | $203,258 | $54,225 |
| MASSACHUSETTS | $68,118 | $0 | $68,118 | $88,091 | $19,973 |
| MICHIGAN | $1,940,802 | $207,544 | $2,148,346 | $2,604,843 | $456,497 |
| MINNESOTA | $1,482,608 | $566,996 | $2,049,604 | $2,086,531 | $36,927 |
| MISSISSIPPI | $9,972 | $28,735 | $38,707 | $72,294 | $33,587 |
| MISSOURI | $2,830 | $0 | $2,830 | $4,406 | $1,576 |
| MONTANA | $1,570,345 | $833,252 | $2,403,597 | $2,403,597 | $0 |
| NEBRASKA | $253,597 | $163,041 | $416,638 | $416,638 | $0 |
| NEVADA | $312,496 | $349,418 | $661,914 | $697,598 | $35,684 |
| NEW JERSEY | $57,336 | $0 | $57,336 | $78,591 | $21,255 |
| NEW MEXICO | $3,299,909 | $2,504,919 | $5,804,828 | $5,804,828 | $0 |
| NEW YORK | $958,014 | $303,313 | $1,261,327 | $1,341,477 | $80,150 |
| NORTH CAROLINA | $1,549,181 | $0 | $1,549,181 | $2,753,863 | $1,204,682 |
| NORTH DAKOTA | $596,845 | $234,764 | $831,609 | $876,308 | $44,699 |
| OHIO | $91,357 | $0 | $91,357 | $131,206 | $39,849 |
| OKLAHOMA | $9,189,915 | $2,406,086 | $11,596,001 | $13,121,895 | $1,525,894 |
| OREGON | $770,980 | $185,268 | $956,248 | $1,082,893 | $126,645 |
| RHODE ISLAND | $25,914 | $23,106 | $49,020 | $65,258 | $16,238 |
| SOUTH DAKOTA | $1,269,304 | $820,306 | $2,089,610 | $2,089,610 | $0 |
| TEXAS | $104,585 | $0 | $104,585 | $147,199 | $42,614 |
| UTAH | $471,797 | $467,890 | $939,687 | $1,281,872 | $342,185 |
| VERMONT | $54,928 | $0 | $54,928 | $69,193 | $14,265 |
| VIRGINIA | $16,020 | $0 | $16,020 | $23,500 | $7,480 |
| WASHINGTON | $2,221,638 | $594,295 | $2,815,933 | $3,026,173 | $210,240 |
| WISCONSIN | $957,978 | $464,264 | $1,422,242 | $1,422,242 | $0 |
| WYOMING | $282,309 | $125,124 | $407,433 | $407,433 | $0 |

## DISTRIBUTION TO AND USE OF FUNDS AT LOCAL LEVEL

Senator McCLURE. The distribution of the funds would be weighted in terms of educationally or economically deprived Indian children. Yet the program would allow for funding of talented and gifted programs. Isn't that a contradiction?

Mr. CARNES. The statute currently authorizes that activity, Mr. Chairman, under part B. We would continue to support activities undertaken on behalf of Indian children in this area.

Senator McCLURE. But that is different than what you tell us you propose under the proposed statutory change.

Are you telling me now that you are not going to change that portion of the statute in your proposal?

Mr. BROWN. Let me clarify that. The within-State distribution—within the State, the distribution of the funds from the State to the local educational agency—will be based on a formula that must take into account some kind of measure of population and would be weighted by some measure of need defined either in terms of income or poverty or some other measure.

Senator McCLURE. Let me rephrase it this way. Your proposal is to appropriate the money and distribute it without any recognition of part B. No funding for part B?

Mr. BROWN. Correct.

Senator McCLURE. Then, after the States get the money based upon all of these other factors, they must then add to their distribution, the programs included in part B even though they are not funded. Am I correct?

Mr. BROWN. No; the programs would be designed at the local level by the local education agency in conjunction with essentially a strong parent committee. The parent committee would have to sign off on that plan that was developed. The plan would be submitted to the State. The State would distribute the funds on the basis of the formula that it developed.

Mr. CARNES. It would be an authorized activity, Mr. Chairman.

Senator McCLURE. It is an authorized activity, but not funded?

Mr. CARNES. It would be among the activities that a local school could support, if it so wished to, on behalf of Indian children.

Senator McCLURE. Out of the funds that are allocated to that State upon a different formula?

Mr. CARNES. Yes, sir.

## INDIAN CHILDREN IN PUBLIC SCHOOLS

Senator McCLURE. All right. Thank you.

I could continue at length regarding the proposal but I won't do so at this time because I don't believe it is likely to pass during this session of the Congress. So we may be indeed talking about what changes will be made prospectively.

It may well be that a coordinated program providing assistance to Indian children enrolled in public schools is a good idea. But this proposal fails to recognize the special relationship between the Government and members of Federally recognized Indian tribes as opposed to the larger population served by the Office of Indian Education. It might make more sense to consolidate both programs in the BIA and limit eligibility to those served by the Johnson-O'Malley Program.

If that were done, of course, there would be no need for your office, which is probably the reason the course of action is not pursued.

Mr. CARNES. If I could comment, Mr. Chairman, I don't think that is the reason why we didn't pursue that course of action.

Currently about 83 percent of all Indian children in school are served under the Indian Education Program through the Department of Education.

And it is our view that the traditional relationship between Indians and the Federal Government, between Indian tribes and the Federal Government, would not in any way be abrogated by our proposal. In fact, the relationship between the tribal nations and the Federal Government would continue to exist and be preserved through the relationship between the Bureau of Indian Affairs and these tribal organizations and other tribal entities.

Senator MCCLURE. But not through the education program?

Mr. CARNES. That's correct. Our effort would be directed toward providing educational services for children currently enrolled in public schools.

Mr. DAVENPORT. Mr. Chairman, if I could add, that is really the key. The children who would be served under this proposal are enrolled in public schools. The BIA would work with those Indian students who are enrolled in other than public schools. Under current legislation, no matter how you fund it, Johnson-O'Malley or part A of the Indian Education Act, the funds end up eventually in the public schools.

### ADULT EDUCATION

Senator MCCLURE. While the department sees a need to reduce duplication for the elementary and secondary program, it is proposed to continue multiple funding sources for adult education, namely the Bureau of Indian Affairs, the Adult Education Act, and your Part C Program.

Why are multiple funding sources appropriate for part C and not for parts A and B?

Mr. DAVENPORT. As you know, about 1 year ago a study of Part C Programs completed by the department found little overlap between our program and BIA.

The study also found that in general part C is operating quite successfully. Needed services are being provided to the appropriate populations. For these reasons we are proposing continued operations of separate adult education programs in the two agencies.

The study did find, Mr. Chairman, that within part C there is little substantive difference between educational service projects and planning pilot and demonstration projects. The study found that PPD projects are sometimes very costly and that they have not produced program models that are widely used or disseminated.

For these reasons, we are proposing to terminate the PPD activities and use all adult education funds for educational activities.

### OVERLAP BETWEEN JOHNSON-O'MALLEY AND PART A

Senator McClure. At the same time you have other studies to show that there is no overlap between Johnson-O'Malley and part A.

Mr. Carnes. No; I don't think that is accurate, Mr. Chairman. In fact, it is precisely because of the overlap between the populations served, that has prompted us to make this proposal to clarify the relationship between the agencies as well as the Indian nations.

Senator McClure. Now you say there are no studies showing that?

Mr. Brown. There is a GAO study that indicated several years ago that the two programs do not fund the same kinds of things for the same children. I guess that is what you would expect a prudent school district or a prudent group of recipients to do.

What that study didn't address was the kind of administrative duplication and overlap that results from two different types of advisory council, two sets of regulations, two kinds of application forms, two distribution mechanisms and two separate offices and agencies.

We think that this proposal attempts to consolidate the two programs so that the funds go to the school districts for Indian children, that more money gets to Indian children for their education and less is available for the administrative part.

### INDIAN CONTROLLED SCHOOLS STUDY

Senator McClure. Well, I was going to call your attention to the GAO study because we are aware of that.

The Department has recently received the final report on Indian controlled schools. The appendix of the report contains a number of letters from contract schools disputing the methodology used and the conclusions reached in the report.

In the view of the Department, does this evaluation have any merit with respect to policy decisions regarding Indian-controlled schools?

Mr. Brown. Yes; I think we would stand by our report.

Senator McClure. You stand by the report?

Mr. Brown. I, personally, was not involved in that particular effort, but I might mention that I know that the effort went apace and made every effort to involve the Indian community.

I know that some of the findings are controversial, but I do believe they were arrived at objectively and with good intent.

Senator McClure. So, you support the outcome of the report in spite of the objections to the methodology and the other criticisms voiced?

Mr. Brown. Well, no doubt there are some methodological problems with almost any study. I suppose this one had some as well as——

Senator McClure. That's the long answer.

Is the short answer yes?

Mr. Carnes. Yes.

Mr. BROWN. Yes.

Mr. DAVENPORT. Yes. [Laughter.]

### ACHIEVEMENT TESTS AND EXPECTATIONS

Senator MCCLURE. Thank you.

Achievement tests were administered to students in the 8th and 12th grades during the course of the evaluation.

Of the 12th grade students, 66 percent of those scoring in the 20th percentile or below indicated that they planned to attend college; and 79 percent of those scoring in the 21st to 40th percentile indicated that they planned to attend college.

Because of the small number in the sample, it is dangerous to draw any conclusions simply on the basis of this data. But, we can look at this along with other information which has been collected.

Last fall, an evaluation was done at Navajo Community College [NCC] which enrolls about 800 students. That evaluation indicated that the average achievement level for incoming NCC students was less than ninth grade for reading and math skills. Eighty percent of the incoming students required remedial courses in English, and over 90 percent required remedial courses in math. Despite this, less than one-third of the students themselves felt that remedial work was needed.

Less than 20 percent of the adult population of the United States has completed 4 years of college. Yet, there seems to be very high expectations among Indian students who complete high school that they will succeed in college. Of course, some students who score poorly on standardized tests can and will succeed in college. But, many will not.

It appears that we may not be giving many Indian high school students an accurate picture of the education they are receiving.

Is that a supportable statement from your point of view?

Mr. DAVENPORT. I would back up a little bit. I think what it shows is that the Indian student missed, to a great extent, the mainstream of the educational revolution that has been going on in this country—educational excellence. That is one of the reasons for our proposal for an educational plan that would be required at the local and State levels and shared with the parents advisory councils and others.

Part of the problem has been our own expectations may be high. We have to be able to achieve that through the academic rigor within the school system. When the students' achievement level going into a community college is in the ninth grade range, that raises serious questions about the education that students received before they entered the community college.

I think putting together the kind of educational plan, Mr. Chairman, that we are talking about would require setting these objectives at the local level, putting the money in under title IV, and working on these objectives as part of the State plan.

The educational excellence movement that we helped to start in this administration, also started in these schools across the country among the States. And, by involving the States in this effort, I think 10 years from now we will see some different statistics, just as we begin to see now in all the States that have become a part of the educational excellence movement. Too many of them are sitting on the sideline right now when it comes to Indian education.

About 2 weeks ago we invited to our office representatives of the 10 States with the largest Indian populations, and began to talk about how we can better work together. Mr. Chairman, that is the first time in history that all of them have been asked to Washington to work with the Department. We are also trying to find ways that we can put Indian education into the mainstream of the educational excellence movement. We can look forward, as you do, to the day that those statistics are reversed and Indian students are graduating from high schools in larger numbers and their literacy rate moves upward.

There are other problems. I don't have to tell you about drug abuse and teenage pregnancies. We need to begin to work now, and we need to begin to design the kind of educational programs that will really have an impact on Indian students. That is the reason I am here to talk to you about this proposal, because I think it is a beginning.

### STUDENT IMPROVEMENT

Mr. CARNES. Mr. Chairman, if I could elaborate for just 1 second.

Senator MCCLURE. Surely.

Mr. CARNES. About 3 weeks ago, Secretary Bennett released what we call the wall chart which documents the performance of students in high schools throughout the United States on a variety of measures, particularly standardized tests.

And what that data shows is that there has been, in the last 3 or 4 years, significant improvement in the performance of students at the high school level. In fact, 39 States improved this year over last year's performance.

Another thing that it shows is that black and Hispanic children have actually made more statistically significant gains than other children. In other words, those with the farthest to go have, in fact, come the farthest.

Indian children themselves have shown a significant increase in their performance on various test measures, but they still lag behind significantly. What we think our proposal addresses is the need to have Indian children participate just as black children and Hispanic children and other minority children have, such as low-income children, in the educational reform movement to raise their ability to perform and compete in the United States.

### FELLOWSHIP PROGRAMS

Senator MCCLURE. I certainly commend the direction that we are headed, and I share with you the determination that we continue that progress. I think we have made progress.

No funds are requested for part B. Approximately $11 million has been included in the BIA budget for school enhancement programs and fellowship support.

If funded through the BIA, approximately 25 percent of those receiving fellowship support through the Department of Education would be ineligible. Will the legislative proposal make any special arrangements for those who would be ineligible for the BIA program, and who are in the middle of a degree program?

Mr. CARNES. Currently, Mr. Chairman, where we are in that proposal is that those students would be eligible for Federal student financial assistance through our other programs. That is the extent of the Federal support which would be available for them.

Senator MCCLURE. Just as all others?

Mr. CARNES. Just as all other low-income individuals are.

Senator MCCLURE. But there would be no adjustment made because of the fact they started in one program and now have to shift to another?

Mr. CARNES. At this point we are not entertaining such an idea. However, we are always agreeable to make compromises on this point.

Senator MCCLURE. You will look again?

Mr. CARNES. Yes, sir.

Senator MCCLURE. I don't know what the answer to that is, but I think there is a potential problem.

Mr. CARNES. We recognize that as an issue too, sir.

Mr. DAVENPORT. Mr. Chairman, I would like to point out that at the present time, we award these fellowships for 1 year. And each competition is a separate competition for the following year.

Mr. CARNES. They are not automatically continued.

### SPECIAL PROJECTS FOR INDIAN STUDENTS

Senator MCCLURE. According to the justification, the current Part B Program of special projects for Indian students duplicates other programs. Lacking the legislative proposal, would the Department have recommended no funding for this portion of the program based on the merits?

Mr. CARNES. I think so, sir.

Mr. DAVENPORT. Yes, sir.

Senator MCCLURE. You still said no funding.

Mr. CARNES. Yes, sir.

### PROGRAM ADMINISTRATION

Senator MCCLURE. The budget seeks an increase in program administration. Part of the funds are justified on the basis of increased activities to close out the existing part A grants and to provide technical assistance in the establishment of the new programs.

If legislative changes are not enacted, what portion of the request may be denied?

Mr. CARNES. None.

Mr. DAVENPORT. None. [Laughter.]

Senator MCCLURE. You can't have it both ways.

Mr. BROWN. Well, in fact——

Senator MCCLURE. You could give us some guidance, or we could be arbitrary.

Mr. CARNES. We will provide the guidance.

Mr. DAVENPORT. We will personally bring it up here. [Laughter.]

Senator MCCLURE. If you would, please. Because I don't know what is going to happen to the legislative proposal.

Mr. CARNES. Our basic view is although funds will be needed for transition to a new program if our proposals are enacted, we still think that by and large most of those funds will be needed in any event.

Senator MCCLURE. Give me a separate justification statement on that, if you would.

Mr. CARNES. All right.

Mr. DAVENPORT. Yes, sir.

[The information follows:]

### ADMINISTRATIVE BUDGET REQUIREMENTS UNDER EXISTING LEGISLATION

The total request for program administration in fiscal year 1987 is $2,466,000, an increase of $247,000 over fiscal year 1986 after sequester. The budget request is basically for costs which would be incurred even if there were no new legislation.

The Department's Indian education programs operate, in effect, on a forward funded basis—that is, projects funded in one year operate primarily during the next fiscal year. This provides the grantees time for budget planning and ensures that the budget process does not disrupt education programs for Indian children and adults. In fiscal year 1987, over 1,200 Indian education grants funded during the summer of fiscal year 1986 will be in full operation. Even if our legislative proposal is accepted, these will still require monitoring and program auditing. Projects funded in fiscal year 1985 will need to be closed out administratively.

Basically, the fiscal year 1987 budget restores administrative funding to the fiscal year 1985 level for program operations and provides for some unavoidable increases. There would be an increase for rent, communication, and utilities for the Office of Indian Education Programs and a first-time charge of these costs to the National Advisory Council on Indian Education [NACIE]. In previous years, the Department's general management account absorbed the costs for NACIE.

Most of the personnel compensation increase would fund the position of Director, which has been vacant since December 1985. The rest is for within-grade step increases. Because of the extensive monitoring and administrative requirements of the Indian Education Program, no staff decreases are projected in fiscal year 1987 under the proposed legislation. If the legislation is passed, significant decreases in staff and other costs would be expected in fiscal year 1988, when the new program would be fully implemented and prior projects completed.

The increases requested for travel basically restore the funding for travel back to the fiscal year 1985 level. This reflects the Department's priority on auditing Indian programs and providing technical assistance. If the new legislation is passed, the Indian Education Office would use some of the travel funds to institute the new State Grant Program for Indian children, but most would continue to be used for monitoring and audit visits to the fiscal year 1986 projects operating in fiscal year 1987.

The increase in other services would fund contracts, data processing services, and equipment repair and maintenance which were curtailed in 1986 because of budget constraints.

## ADDITIONAL COMMITTEE QUESTIONS

Senator McClure. It sounds like you are trying to have it both ways. As long as it sounds that way, we may react that way.

Mr. Carnes. I read you.

Senator McClure. Thank you very much. I appreciate your testimony today.

There are some additional questions which we will submit to you and request that you answer in writing for the record.

Mr. Carnes. Thank you very much, Mr. Chairman.

Mr. Davenport. Thank you, Mr. Chairman.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## QUESTIONS SUBMITTED FOR THE RECORD

### SENATE APPROPRIATIONS SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES

### ACHIEVEMENT TEST DATA FOR INDIAN STUDENTS

Question: Please supply standardized achievement test data for Indian students in the 42 States which receive Title IV funds.

Answer: Data are not available by State for Indian student achievement, as far as we know. Several sources do have achievement data for Indians at the national level.

In 1980, the Department of Education's High School and Beyond Survey administered a standardized test battery to high school sophomores in public schools in a number of skill areas. Overall, white and Asian students scored highest; Indian students next; Hispanics, fourth; and blacks, fifth.

Average Performance by Ethnicity for 1980 Sophomores

| Race | Vocabulary | Reading | Math-I | Math-II | Science | Writing |
|---|---|---|---|---|---|---|
| White (n=20815) | 52.0 | 51.7 | 51.8 | 51.3 | 52.1 | 51.8 |
| Asian (n=323) | 51.6 | 51.6 | 55.7 | 55.5 | 51.5 | 53.7 |
| Indian (n=278) | 45.0 | 46.2 | 44.6 | 46.2 | 46.1 | 46.0 |
| Hispanic (n=3521) | 44.9 | 45.1 | 44.9 | 46.2 | 44.5 | 44.9 |
| Black (n=4064) | 42.4 | 44.2 | 43.1 | 44.9 | 41.6 | 43.3 |

Average Performance by Ethnicity for 1980 Seniors

| Race | Vocabulary Part I | Vocabulary Part II | Reading | Math-I | Math-II | Visualization |
|---|---|---|---|---|---|---|
| White (n=20815) | 51.4 | 51.3 | 51.5 | 51.5 | 50.9 | 51.0 |
| Asian (n=323) | 50.2 | 50.5 | 50.3 | 54.2 | 55.4 | 55.2 |
| Indian (n=278) | 45.8 | 46.6 | 46.6 | 45.2 | 46.0 | 50.0 |
| Hispanic (n=3521) | 44.8 | 45.2 | 43.7 | 44.1 | 46.1 | 46.9 |
| Black (n=4064) | 43.6 | 43.9 | 43.7 | 44.1 | 46.1 | 46.9 |

(Data are test scores standardized to a mean of 50 and standard deviation of 10. The tests were developed by the Educational Testing Service, Inc., for the High School and Beyond Survey.)

(Source: Cognitive Test Performance Among Racial/Ethnic Groups, Ricky Takai and Edith Huddleston, 1982)

Other standardized test data available for racial and ethnic groups include SAT scores for college-bound seniors in all types of schools. Indian students also show up in the middle range of ethnic groups in SAT scores. SATs are heavily administered in States along the east and west coasts.

SAT Averages by Ethnic Group, 1976 - 1985

| | SAT - Verbal | | SAT - Mathematical | |
|---|---|---|---|---|
| | 1976 | 1985 | 1976 | 1985 |
| White | 451 | 449 | 493 | 491 |
| Asian | 414 | 404 | 518 | 518 |
| American Indian | 388 | 392 | 420 | 428 |
| Mexican American | 371 | 382 | 410 | 426 |
| Puerto Rican | 364 | 368 | 401 | 409 |
| Black | 332 | 346 | 354 | 376 |
| Other | 410 | 391 | 458 | 448 |
| All students | 431 | 431 | 472 | 475 |

(Source: September 1985 press release from The College Board.)

ACT data show a somewhat different pattern. ACTs are administered primarily in the middle of the United States, and include States with many Indians, such as Arizona, New Mexico, the Dakotas, Minnesota, and Oklahoma. Indians taking the ACT have scores below Hispanic Americans.

ACT Averages by Ethnic Group, 1984-85 High School Seniors

| | Composite | English | Math | Social Studies | Natural Science |
|---|---|---|---|---|---|
| White | 19.4 | 18.8 | 18.0 | 18.2 | 22.0 |
| Asian | 19.1 | 17.3 | 20.4 | 16.9 | 21.3 |
| Puerto Rican | 15.9 | 15.7 | 14.5 | 14.6 | 18.4 |
| Mexican American | 14.6 | 14.9 | 12.6 | 13.1 | 17.2 |
| American Indian | 13.9 | 13.8 | 11.6 | 12.5 | 17.1 |
| Black | 12.5 | 13.3 | 19.9 | 11.2 | 14.9 |
| All students | 18.6 | 18.1 | 17.2 | 17.4 | 21.2 |

(Source: September 1985 press release from The College Board.)

The national impact study of the Part A program found that 59.2 percent of American Indians and Alaska Natives in their sample scored below the national average on various standardized reading achievement tests; 40.8 percent scored at or above the national norm. In mathematics, 61.2 percent were below the national average, while 38.8 percent were at or above that level. The data were for a sample of 6,425 Indian students in grades 3-11 in districts receiving Title IV funding. The tests were given in spring 1981.

The impact study also found that Indian students in districts on or near reservations scored slightly lower than other Indian students, and those in metropolitan areas slightly above. Students in the southwest, Alaska, and North and South Dakota scored slightly lower than other Indian students. Students in the Northeast, California, Wisconsin, and Minnesota scored slightly above other Indian students. (Final Report, the Evaluation of the Impact of the Part A Entitlement Program Funded Under Title IV of the Indian Education Act, Development Associates, 1983.)

Finally, while we do not have standardized achievement data for Indian students in BIA-operated schools, data are available for Indian students in BIA-contract schools. On the average, Indian students in those schools scored about the same as Indians in nearby public schools or in a national sample of 1982 Indian seniors. Thus, there is little difference between Indian students in public or BIA-contract schools. However, the contract school students performed in the low to low-average range compared to all students. The study tested eighth and twelfth grade students and used the same standardized test for all students within a grade. (An Evaluation of Indian-Controlled Schools, Abt Associates, Inc., 1985)

In summary, Indian students, on the average, score below national averages and below the averages for non-minority and Asian students on standardized achievement tests. They often score above Hispanic students and usually above black students. Students on or near reservations probably score lower than other Indians.

## FUNDING AMOUNTS FOR FY 1987, BY STATE, UNDER PROPOSED LEGISLATION

Question: Please also provide for the record a table showing the total amounts received by States from JOM and Title IV for fiscal year 1986, or the most recent fiscal year for which data is available, and the funds those States would receive in fiscal year 1987 under this proposal if the grandfather provision were not in effect (for the purpose of comparison, use the same student count figures as used for current funding).

Answer: The following table provides the total amounts received by States from the Johnson-O'Malley and Title IV Part A Grants to LEAs programs in fiscal year 1985 and estimated funding for FY 1986 and FY 1987.

The FY 1985 Johnson-O'Malley (JOM) funding shown does not include amounts for tribal contract administration (primarily indirect costs).

The 1986 data are estimated by using the same proportions each State received under Part A and JOM in 1985 and distributing them for the new levels of funding available in 1986.

The number of children per State depends on unduplicating Johnson-O'Malley and Part A children. The BIA does not collect data on the number of children served per district. They have provided us some estimates, however, which we have used in developing our estimate. We have used the estimated JOM data plus the 1985 Part A student counts to estimate the total number of children eligible in each State by unduplicating the children for districts which get both types of funding. The higher count of children (either Part A or JOM) in a district which gets both is used for that district.

DISTRIBUTION OF FUNDS TO STATES FOR PART A GRANTS TO LEAS AND JOHNSON-O'MALLEY

| STATE | INDIAN EDUCATION PART A GRANTS TO LEAS |  |  | JOHNSON-O'MALLEY |  |  | 1986 ESTIMATED TOTAL FUNDING FOR PART A AND JOM | 1985 ESTIMATED NUMBER OF INDIAN STUDENTS | 1987 ESTIMATED FUNDING |  |
|---|---|---|---|---|---|---|---|---|---|---|
|  | 1985 FUNDING | 1986 EST FUNDING | PERCENT FUNDING | 1985 FUNDING | 1986 EST FUNDING | PERCENT FUNDING |  |  | WITH HOLD HARMLESS | WITHOUT HOLD HARMLESS |
| TOTAL | $45,903,023 | $43,675,000 | 100.00% | $25,674,000 | $19,618,000 | 100.00% | $63,293,000 | 360,585 | $70,323,000 | $70,323,000 |
| 1 ALABAMA | $740,126 | $704,202 | 1.61% | $0 | $0 | 0.00% | $704,202 | 7,619 | $1,243,359 | $1,293,721 |
| 2 ALASKA | $6,797,853 | $6,467,901 | 14.81% | $6,613,551 | $5,053,542 | 25.76% | $11,521,443 | 23,259 | $11,521,443 | $10,860,258 |
| 3 ARIZONA | $3,968,167 | $3,775,562 | 8.64% | $4,487,830 | $3,429,238 | 17.48% | $7,204,800 | 47,266 | $7,713,468 | $8,025,898 |
| 4 ARKANSAS | $132,770 | $126,326 | 0.29% | $0 | $0 | 0.00% | $126,326 | 1,510 | $246,420 | $256,401 |
| 5 CALIFORNIA | $3,822,051 | $3,636,538 | 8.33% | $544,858 | $416,337 | 2.12% | $4,052,875 | 32,823 | $5,356,469 | $5,573,430 |
| 6 COLORADO | $212,666 | $202,344 | 0 46% | $102,336 | $78,197 | 0.40% | $280,541 | 2,004 | $351,486 | $365,723 |
| 7 CONNECTICUT | $26,284 | $25,008 | 0.06% | $0 | $0 | 0.00% | $25,008 | 162 | $33,933 | $35,307 |
| 8 FLORIDA | $80,125 | $76,236 | 0.17% | $49,741 | $38,008 | 0.19% | $114,244 | 710 | $115,866 | $120,559 |
| 9 HAWAII | $12,140 | $11,551 | 0.03% | $0 | $0 | 0.00% | $11,551 | 84 | $14,565 | $15,155 |
| 10 IDAHO | $194,841 | $185,384 | 0.42% | $239,054 | $182,666 | 0.93% | $368,050 | 2,201 | $368,050 | $373,735 |
| 11 ILLINOIS | $122,821 | $116,860 | 0.27% | $0 | $0 | 0.00% | $116,860 | 888 | $150,502 | $156,599 |
| 12 INDIANA | $8,401 | $7,993 | 0.02% | $0 | $0 | 0.00% | $7,993 | 78 | $12,729 | $13,245 |
| 13 IOWA | $98,050 | $93,291 | 0.21% | $64,708 | $49,445 | 0.25% | $142,736 | 615 | $142,736 | $108,624 |
| 14 KANSAS | $200,192 | $190,475 | 0.44% | $85,019 | $64,965 | 0.33% | $255,440 | 1,520 | $259,399 | $269,906 |
| 15 LOUISIANA | $322,588 | $306,930 | 0.70% | $10,355 | $7,912 | 0.04% | $314,842 | 2,646 | $431,819 | $449,310 |
| 16 MAINE | $42,659 | $40,588 | 0.09% | $25,348 | $19,369 | 0.10% | $59,957 | 239 | $59,957 | $40,614 |
| 17 MARYLAND | $156,636 | $149,033 | 0.34% | $0 | $0 | 0.00% | $149,033 | 1,019 | $203,258 | $211,491 |
| 18 MASSACHUSETTS | $71,593 | $68,118 | 0.16% | $0 | $0 | 0.00% | $68,118 | 475 | $88,091 | $91,659 |
| 19 MICHIGAN | $2,039,810 | $1,940,802 | 4.44% | $271,612 | $207,544 | 1.06% | $2,148,346 | 13,990 | $2,604,843 | $2,710,350 |
| 20 MINNESOTA | $1,558,241 | $1,482,608 | 3.39% | $742,026 | $566,996 | 2.89% | $2,049,604 | 11,821 | $2,086,531 | $2,171,045 |
| 21 MISSISSIPPI | $10,481 | $9,972 | 0.02% | $37,605 | $28,735 | 0.15% | $38,707 | 443 | $72,294 | $75,222 |
| 22 MISSOURI | $2,974 | $2,830 | 0.01% | $0 | $0 | 0.00% | $2,830 | 27 | $4,406 | $4,585 |
| 23 MONTANA | $1,650,454 | $1,570,345 | 3.60% | $1,090,474 | $833,252 | 4.25% | $2,403,597 | 12,224 | $2,403,597 | $2,383,095 |
| 24 NEBRASKA | $266,534 | $253,597 | 0.58% | $213,371 | $163,041 | 0.83% | $416,638 | 2,156 | $416,638 | $373,906 |
| 25 NEVADA | $328,438 | $312,496 | 0.72% | $457,282 | $349,418 | 1.78% | $661,914 | 4,275 | $697,598 | $725,854 |
| 26 NEW JERSEY | $60,261 | $57,336 | 0.13% | $0 | $0 | 0.00% | $57,336 | 337 | $78,591 | $81,774 |
| 27 NEW MEXICO | $3,468,250 | $3,299,909 | 7.56% | $3,278,178 | $2,504,919 | 12.77% | $5,804,828 | 28,997 | $5,804,828 | $4,923,793 |
| 28 NEW YORK | $1,006,886 | $958,014 | 2.19% | $396,945 | $303,313 | 1.55% | $1,261,327 | 5,073 | $1,341,477 | $1,395,813 |
| 29 NORTH CAROLINA | $1,628,210 | $1,549,181 | 3.55% | $0 | $0 | 0.00% | $1,549,181 | 16,875 | $2,753,863 | $2,865,407 |
| 30 NORTH DAKOTA | $627,292 | $596,845 | 1.37% | $307,235 | $234,764 | 1.20% | $831,609 | 5,370 | $876,308 | $911,802 |
| 31 OHIO | $96,017 | $91,357 | 0.21% | $0 | $0 | 0.00% | $91,357 | 804 | $131,206 | $136,521 |
| 32 OKLAHOMA | $9,658,726 | $9,189,915 | 21.04% | $3,148,835 | $2,406,086 | 12.26% | $11,596,001 | 80,408 | $13,121,895 | $13,653,391 |
| 33 OREGON | $810,311 | $770,980 | 1.77% | $242,460 | $185,268 | 0.94% | $956,248 | 5,898 | $1,082,893 | $1,126,755 |
| 34 RHODE ISLAND | $27,236 | $25,914 | 0.06% | $30,239 | $23,106 | 0.12% | $49,020 | 324 | $65,253 | $67,901 |
| 35 SOUTH DAKOTA | $1,334,056 | $1,269,304 | 2.91% | $1,073,531 | $820,306 | 4.18% | $2,089,610 | 11,556 | $2,089,610 | $1,962,313 |
| 36 TEXAS | $109,920 | $104,585 | 0.24% | $0 | $0 | 0.00% | $104,585 | 902 | $147,199 | $153,161 |
| 37 UTAH | $495,885 | $471,797 | 1.08% | $612,326 | $467,890 | 2.39% | $939,687 | 7,855 | $1,281,872 | $1,333,794 |
| 38 VERMONT | $57,730 | $54,928 | 0.13% | $0 | $0 | 0.00% | $54,928 | 424 | $69,193 | $71,996 |
| 39 VIRGINIA | $16,837 | $16,020 | 0.04% | $0 | $0 | 0.00% | $16,020 | 144 | $23,500 | $24,451 |
| 40 WASHINGTON | $2,334,972 | $2,221,638 | 5.09% | $777,751 | $594,295 | 3.03% | $2,815,933 | 16,871 | $3,026,173 | $3,148,746 |
| 41 WISCONSIN | $1,006,848 | $957,978 | 2.19% | $607,581 | $464,264 | 2.37% | $1,422,242 | 7,602 | $1,422,242 | $1,442,304 |
| 42 WYOMING | $296,711 | $282,309 | 0.65% | $163,749 | $125,124 | 0.64% | $407,433 | 1,291 | $407,433 | $317,385 |

Because of the need for making a number of assumptions, it is difficult to estimate 1987 State allocations under the legislative proposal, with or without the grandfather clause. The 1987 distributions shown in the following table are tentative and should be taken as indicative of how the formula would work, not as predicted allocations.

## LEGISLATIVE PROPOSAL FOR STATE GRANTS FOR INDIAN CHILDREN

Question: Would there be a requirement that a State provide funds to each local district or tribe which applies for this program?

Answer: Funds would be distributed to local school districts and tribes using a formula based on general enrollment of Indian children plus objective criteria for the number of Indian children who are educationally or economically disadvantaged. The SEA would determine the criteria for educational and economic disadvantagement in consultation with a State advisory committee which would include Indian parents and representatives of Indian tribes and organizations.

If a local school district submits an application which meets the basic requirements of the law, the State would have to provide a grant to that district to operate its proposed program. If a local school district does not apply for the funds, the State educational agency is authorized to provide assistance to one or more Indian tribes or Indian organizations to provide the program.

## USE OF INDIAN EDUCATION FUNDING FOR HANDICAPPED CHILDREN

Question: Under your legislative proprosal, support could be provided for handicapped Indian children. Wouldn't this encourage the States to use this source of funds for handicapped Indian children rather than using the funds available under the Education for the Handicapped program?

Answer: Under both the existing law and the proposed law, the local school district could use funds from the Indian Education Act to enhance or add to services funded under the Education of the Handicapped Act but not to supplant them. The use of Indian Education funds to provide services which should have been provided under the Education of the Handicapped Act would be a violation of the Indian Education Act's supplement-not-supplant provision.

Under the existing Indian Education Act, few projects fund services for handicapped Indian children. In 1985, there was an award of $8,415 to a school for mentally retarded Indian children in Oklahoma, A School for Me, Inc.

## ADULT EDUCATION

Question: Legislation is also sought in this area to deauthorize the pilot, planning, and demonstration projects. Absent a change in the statute, is there a requirement that you fund PP&D programs, or is this simply an authorized activity, but one not required to be funded?

Answer: Planning, pilot, and demonstration projects in Adult Education are authorized by Part C of the existing Indian Education Act as one of several types of adult education projects that may be funded. There is no requirement that they must be funded from any Part C appropriation. Designation of funds for planning, pilot, and demonstration projects, in the past, has been made through the President's budget request and Appropriation Committee report language.

## COMPARISON OF ADULT EDUCATION COSTS ACROSS PROGRAMS

Question: The figures cited in the justification regarding adult Indians receiving educational services are interesting: the Bureau serves 13,520 adults at an average cost of $257; the Part C services component enrolls 4,500 adults at an average cost of $260; and the States serve 26,500 adults at an average cost of $38 per participant. Why are the State-operated programs so much less costly than the others?

Answer: There are several reasons for the differences in costs. The major reason is that the costs of State Grant adult education programs are seriously understated. States are required to match at least 10 percent of the costs of adult education programs supported with the Federal adult education program funding; however, many do not report the total funding spent on the programs from State and local sources or from other Federal programs such as Department of Labor programs or Social Security's Title XX program. At least two studies of the State Grant program have documented this under-reporting.

The Part C adult education programs provide more supplementary services than the State Grant programs, such as child care, transportation, and counseling, which are important for adult learners. A study of the State Grant Adult Education program found that the local project directors for that program identified transportation and child care as the two highest barriers to participation for their students. While those costs are authorized under the State Grant program, only 20-30 percent of the projects provide those services. (An Assessment of the State-Administered Program of the Adult Education Act, Development Associates, Inc., 1980)

In general, the Part C program provides the same types of instructional services as do the State Grant programs, including a lot of small group and individualized instruction. In some cases the Part C programs may provide initial instruction in the home, which would increase average costs. The State Grant programs does fund a significant percentage of ESL (English as a second language) programs for non-English speaking adults. These programs typically are larger and involve instruction to a class of students, with much less individual instruction. This would tend to lower the State grant's program costs.

A number of Part C projects are funded as pilot, planning, and demonstration projects, and these carry somewhat higher costs on the average due to extra development activities in some of the projects.

Finally, some of the Part C projects may have excessive administrative costs. The evaluation of the Part C program (Pelavin Associates, Inc., 1984) found several of the projects they visited to have "disproportionately high administrative costs." The Department's Office of Elementary and Secondary Education has developed guidelines for its staff to use when reviewing applications and during site visits that include special attention to administrative costs.

In summary, there are likely to be some cost savings that can be achieved by more efficient use of the Indian Education funding, particularly by eliminating pilot, planning, and demonstration projects and by tightening up on administrative costs. The average expenditure would still be considerably above that of the State Grant program, as currently reported.

## GED COMPLETION RATES FOR INDIAN ADULTS

Question: Have you any data on GED completion rates for Indian Adults under the three programs?

Answer: The evaluation study of the Part C program (Pelavin Associates, Inc., 1984) reported that in one year (1982-83) the projects visited enrolled 1,210 participants enrolled in adult secondary education instruction. Of these 443, or 37 percent, passed the GED.

Some data on the State Grant program were provided in a study of 12 States. The study found GED completion rates to range from 5 percent to 38 percent in the States surveyed (The Adult Education Program: A State-level Assessment of Need and Impact, Advanced Technology, Inc., 1985).

Current data from the Department of Education reflect completion rates of GED and ABE students combined, consequently, we are contacting the projects to collect the necessary figures for GED completion only. The Bureau of Indian Affairs is contacting their adult education projects to gather GED completion rates by area office. When available, this information, along with current information on the Part C program, will be forwarded to the subcommittee.

## TEACHER TRAINING INITIATIVE

Question: A new Teacher Training Initiative is proposed by the Department. What is the status of this legislation?

Answer: Secretary Bennett submitted a proposal for a new Teacher Training and Improvement Act to the Congress on February 24, 1986. It would replace the current Science and Mathematics Education program, which focuses funds almost exclusively on science and math teachers.

## BIA SET-ASIDE FROM TEACHER TRAINING INITIATIVE

Question: What portion of the funds would be set aside for the Bureau of Indian Affairs?

Answer: Of the funds appropriated for the program, the Secretary would be authorized to reserve up to 20 percent for national discretionary activities. Of the remaining amount, 1/2 percent would be transferred to the BIA. This is roughly comparable to the funds set aside for the BIA currently under the Science and Mathematics Education program.

At the Administration's request level of $75 million, $300,000 would be set-aside for the BIA. This compares with $215,330 for Science and Mathematics at the 1986 post-sequestration level.

Question: Approximately how many students could be supported annually through the set-aside?

Answer: This depends on how the BIA uses the money. We have been informed by BIA that they used their 1985 Science and Mathematics set-aside of $500,000 to train 160 teachers who in turn educate 4,000 Indian children. Probably a somewhat smaller number of BIA school instructors would be trained under the first year of the teacher training program.

# NATIONAL ENDOWMENT FOR THE HUMANITIES

## STATEMENT OF JOHN AGRESTO, ACTING CHAIRMAN, NATIONAL ENDOWMENT FOR THE HUMANITIES AND ACTING CHAIRMAN, NATIONAL COUNCIL ON THE HUMANITIES

ACCOMPANIED BY:

THOMAS S. KINGSTON, ACTING ASSISTANT CHAIRMAN FOR PROGRAMS

STEPHEN CHERRINGTON, DIRECTOR, OFFICE OF PLANNING AND BUDGET

### BUDGET REQUEST

Senator McCLURE. We will now turn to the National Endowment for the Humanities.

The fiscal year 1987 budget request for the National Endowment of the Humanities totals $126,440,000, a decrease of $12,201,000 below the fiscal year 1986 appropriations to date.

Of the amount provided for the current year, $5,961,000 is sequestered.

### PREPARED STATEMENT

Mr. Agresto, we welcome you before the subcommittee. Your complete opening statement will be included in the record at this point. If you would introduce your associates at the witness table, we will proceed to the questions.

[The statement follows:]

### STATEMENT OF JOHN AGRESTO

I am pleased to appear before this subcommittee again on behalf of the National Endowment for the Humanities. I welcome this opportunity to discuss the agency's budget and plans for fiscal year 1987.

The Endowment requests $126.44 million for fiscal year 1987. This includes $83.14 million in definite funds for humanities projects and programs, $12.5 million in Treasury funds to match private and other non-Federal gifts contributed to individual projects, $16.5 million for challenge grants in support of humanities institutions and organizations, and $14.3 million in administrative funds.

The amount of funding being requested is more than sufficient to permit the agency to continue supporting high quality humanities projects and programs. The Endowment takes its stewardship of public funds seriously and will never compromise its commitment to excellence. The amount requested is also a responsible figure in view of the need to control the Federal deficit; it represents a savings of $6.239 million from the Gramm-Rudman-Hollings adjusted appropriation for fiscal year 1986.

As has been the case in recent years, we are requesting that each of our major program areas receive approximately 18–20 percent of definite program funds. It is our conviction that these areas support humanities activities of equal importance and that such a distribution effectively covers the full spectrum of the humanities. Our programming mix enables us to identify exemplary work in the humanities wherever it is being done: research that is rigorous and significant, teaching that fosters intellectual excitement, curricula that are based soundly on the central disciplines of the humanities, and general audience programs that lead to a deeper understanding of ideas and events embodied by the humanities.

Several features of our budget request for fiscal 1987 warrant special mention.

We are excited about a pair of special initiatives announced last fall with the assistance of Senators Hatch and Simon: "Understanding America" and "Understanding Other Nations." These initiatives respond to the shocking results of a pilot survey of students funded by NEH and other findings recently reported by educators in newspapers and other periodicals. These reports show that a major segment of our high school population is woefully deficient in the most rudimentary knowledge and understanding of the history and culture of both the United States and the world at large. For example: preliminary results of the study funded by NEH indicate that three-fourths of the 17-year-old students tested could not identify Walt Whitman, Thoreau, or E.E. Cummings; one-half could not recognize the names of Winston Churchill or Joseph Stalin.

The Endowment is determined to meet the problem head-on by committing our resources and our prestige to assist schools, colleges, and parents in their efforts to increase students' basic knowledge of the humanities. By confronting this problem now, our Nation will reap benefits in the decades to come because an informed and thoughtful citizenry is the best defense against the ignorance and irrationality that can weaken the foundation of our democracy.

"Understanding America" is fueled by the notion that our young people need to learn and understand the major events, ideas, and principles that have shaped the United States. In schools, colleges, and universities students need the opportunity to read and contemplate the political principles contained in the Declaration of Independence, the Constitution, the Bill of Rights, and other basic documents central to the existence of our Nation. They need the opportunity to reflect upon the cause and meaning of the major events of American history, from the voyages of discovery in the 1400's and 1500's through the triumphs and tragedies of our own century. And they need to have the opportunity to engage in serious guided discussion of the thoughts and ideas of our best writers and thinkers. America's heritage is rich and ennobling, and young minds should be offered the excitement of discovering it. "Understanding America" will give schools and colleges grant support to make this discovery possible.

Our other new initiative, "Understanding Other Nations," takes as its broad objective the quest for literacy among our students of the history and culture of other nations of the world. A companion to "Understanding America," this initiative focuses on restoring the study of foreign languages in schools and colleges. The fact that Americans have become increasingly monolingual in recent decades has been chronicled in numerous reports and studies. It is through the study of languages, however, that students can gain the best vantage point of understanding other nations and cultures. The Endowment will be encouraging proposals from precollegiate and higher educational institutions that wish to reestablish language instruction for their students or to revamp and strengthen their present course offerings.

"Understanding America" and "Understanding Other Nations" joins the Endowment's other ongoing efforts to improve teaching, learning, scholarship, and public programming in the humanities. Since the agency will be making awards for these initiatives through our regular grant programs, no set asides are needed, and additional grant funds for these initiatives are not being requested from the Congress for fiscal 1987.

Two other recent initiatives will again be highlighted in fiscal year 1987. The Office of Preservation, established in 1985, will enter its second year of coordinating the Endowment's efforts in helping State, local, and regional institutions and organizations save humanities research resources from decay, neglect, and destruction. The office provides national leadership in this area as well as grant funds to libraries and archives to preserve specific collections of books, newspapers, and other humanities documents. Also to be continued in fiscal year 1987 is the Endowment's bicentennial of the Constitution initiative. Since 1982 this program has supported scholarly and public audience projects concerning the history and principles of the U.S. Constitution and has received considerable praise throughout the Nation. We are especially proud of the response to a special bicentennial grant competition in the Younger Scholars Program. Almost 250 high school students and college undergraduates submitted applications to spend 9 weeks of the summer researching and writing short essays on various aspects of the Constitution; 66 awards were made. All of our bicentennial activities will have special significance in 1987, the 200th anniversary of the drafting of this enduring document.

There is one final characteristic of our 1987 budget request that I would like to call to your attention. If approved by Congress, the $12.5 million being requested for Treasury funds would be the highest amount appropriated in the Endowment's history. This high sum reflects the agency's extraordinary success in recent years in using matching funds to stimulate third-party support for grantees. In fiscal year 1985, for example, the Endowment provided a record $17.8 million in matching funds in response to private contributions. These funds were distributed through all program divisions of the agency.

I look forward to responding to any questions you may have about the fiscal 1987 request or any activities of the Endowment.

## INTRODUCTION OF ASSOCIATES

Mr. AGRESTO. Thank you, Mr. Chairman.

On my right is Thomas Kingston. Mr. Kingston is the Acting Assistant Chairman of the Endowment. On my left is Stephen Cherrington. He is the Director of Planning and Budget at the Endowment.

Senator MCCLURE. Thank you.

## POLICY ON DELINQUENT STUDENT LOANS

The New York Times recently carried a short article which stated that the Endowment would not award grants or fellowships to applicants who are delinquent on Federal student loans. While I understand the reasoning behind such a policy, is it legal?

Mr. AGRESTO. I would be very happy to begin by talking about that. In fact, it was not only in the New York Times, it was in the Washington Times, the Washington Post, and AP carried it across the country. I think we have received nothing but favorable comments on it.

To answer directly, yes, absolutely legal. We checked this with my own legal counsel who checked it with the people at the Department of Education. I discussed it with the National Council on the Humanities. We are working with OMB on the matter. We are being very careful to make sure that we meet all the legal requirements of the Privacy Act and, yes, as far as we know, that is absolutely legal.

Senator MCCLURE. How do you determine if an applicant's loan is in a delinquent status?

Mr. AGRESTO. We will do it in two ways. We will ask on the application forms, for applicants to tell us whether they are in default or delinquent. And second, we will compare our applicants with the computer tapes of the Department of Education. So, we have a double way of checking.

Senator MCCLURE. You will check against——

Mr. AGRESTO. Against the computer tapes that the Department of Education has of those that they know to be delinquent or in default.

Senator McClure. Have any applicants been denied to date on this basis?

Mr. Agresto. No; in fact, the policy is not yet in effect. We announced the policy, and we will put it into effect shortly. But we also wanted to give people the opportunity to catch up on their loans. And so it is a preventative measure, as well.

Senator McClure. You fired a shot across their bow and you will wait to see if they change course?

Mr. Agresto. Exactly.

We hope they do.

Senator McClure. To your knowledge, is the Arts Endowment following a similar policy?

Mr. Agresto. We talked both to the Arts Endowment and to the National Science Foundation about this when we decided to go ahead with it. They are both very interested in it.

We are going to go ahead, and they will watch us and see how it works. And I can't speak for them, but they may follow suit.

Senator McClure. Wouldn't it be desirable if it is a government policy, that it be applied equally?

Mr. Agresto. I think so.

Senator McClure. You haven't persuaded them?

Mr. Agresto. I really do think they are interested.

### REAUTHORIZATION LEGISLATION

Senator McClure. The 1985 amendments which were signed on December 20, require that the Endowment give particular attention to scholars and educational and cultural institutions that have traditionally been underrepresented.

Have you determined a way to comply with the law while maintaining the peer review system?

Mr. Agresto. We think we can, sir. In making the changes in the legislation, the conference committee report was clear about this. They said that all groups and all individuals should receive what was called equitable attention. And, I am certain that we can be particularly careful in our agency that wherever they are and whoever they are and whatever groups they may be, that they will receive equitable attention, that they will know about the Endowment, they will know about our guidelines and our policies. At the same time that the conferees demanded equitable attention, the legislation also was careful to maintain the integrity of the peer review process.

I do think we can do both.

Senator McClure. You can do both and it will be very easily attained if the peer review takes that into consideration. But, if they ignore it or it doesn't fall out that way, then what?

Mr. Agresto. We understand that—the legislation does not say that the results of the panel deliberation must be that everyone receive an equal division of Endowment funds on some sort of preordained formula. All it says is that we give equitable regard, and I am directed to give equitable regard, to various groups, minorities, and the underrepresented, to use the word in the legislation.

We have understood this to mean that we will go ahead and cast as wide a net as we can to see to it that all groups, all interested individuals, know about the policies at the Endowment.

I don't think that this, in any real way, undercuts the peer review process. I think they can go together.

Senator McClure. I'm not sure that I know how the two work hand in hand. One achieves one result and the other achieves the other result, that may coincide. But, if they don't——

Mr. Agresto. If what the legislation wanted of us was to direct the peer review process, to direct panels, to give us a formula—give us funding on some sort of preset scale that said there were so many minorities, so many people here—that we could not justify under the peer review process. Could not do it. I do not think the legislation says that.

### INTENT OF CONGRESS

Senator McClure. The legislation does not say that, but it very nearly did. It was changed in the process, and I suspect that if the Congress is dissatisfied with the results, you will be faced with that in another year or so.

Mr. Agresto. When the first draft of the legislation came down, sir, it really did have the character of set-aside programs for particular groups.

The final results did not have that character.

Senator McClure. That's right.

Mr. Agresto. I think, in fact, the legislation moved from having a quota system for underrepresented groups, to merely directing the agency to take particular regard. I can live with that, and I think the peer review process——

Senator McClure. I agree with that. And I think it moved in that direction because of the very concerns that you have expressed here.

All I am suggesting is, if as a matter of fact, looking at it a year from now, if Congress decides you haven't done it, that you are going to be living with what you say you can't live with.

Mr. Agresto. Every now and then we look at the results of where our grants go and the results of the process, and even though we don't go in with any preordained number—so many women should get grants, or so many women's topics, or so many minority topics, or so many minority individuals—the truth is that minority individuals and minority topics, urban areas, rural areas are well represented. I do not think Congress, if it looked at the results, would be displeased.

In fact, one thing that we did say in the discussion about underrepresentation was that the evidence we had was that there really were no facts to back up the assertion that there were certain groups or individuals underrepresented, or ideas or topics underrepresented among the Endowment's grants and awards.

I am satisfied that we can live with it.

### DETERMINING UNDERREPRESENTATION

Senator McCLURE. What is the basis for determining underrepresentation?

Mr. AGRESTO. The legislation itself talks about minorities, it talks about those living in inner cities, it talks about rural and tribal communities. And without giving any further definition, I trust that that is what the legislation meant by it, those kinds of groups and individuals.

Senator McCLURE. If I read you correctly, you think the Congress changed that language because they didn't really care about the results so much as they did general patterns?

Mr. AGRESTO. I do not think Congress really wanted to give a straitjacket to the agency that said, these particular groups, or these particular topics must receive X, Y, and Z percentage of the funds.

I think there may have been some of the character of that in the first draft that dropped out by the end.

Senator McCLURE. Well, that is chronologically correct. I am not sure that you have assessed the reason for the change in it.

Mr. AGRESTO. I hope I have.

Senator McCLURE. Well, hope springs eternal.

I'm not sure you have. I wish to raise that as a real question, because we didn't inject that issue—we, sitting here at this committee, but it was raised. And those who raised it modified their original demands. I am not sure, however, they abandoned their original goals.

Mr. AGRESTO. I would still be very much against any attempt to make the legislation—change the legislation toward the direction of quotas.

Senator McCLURE. I'm not sure I know how a peer review process guarantees the results which you say you will achieve without guarantees.

Mr. AGRESTO. I will not promise it will be, and I cannot guarantee any results. All I can guarantee is an absolutely fair process that will look at the quality of applications. I cannot guarantee results.

Senator McCLURE. And if, as a matter of fact, that peer review process surfaces all thequality applicants and the quality applicants who are then approved, do not give attention to scholars, educational, cultural institutions that have traditionally been underrepresented, end of quotation, then what? You have not complied with the mandate of the law, have you?

Mr. AGRESTO. I would still assert that we have complied with the legislation absolutely as written. That we have given equitable concern to all groups. But, I would absolutely defend that process, no matter how it came out, if what that process did was to fund all excellent applications——

Senator McCLURE. But the statute says give particular attention to. It doesn't say award, or not award.

Mr. AGRESTO. That's correct.

## PARTICULAR REGARD

Senator McClure. How does the peer review process give particular attention to? The peer review process is blind to those other considerations, is it not?

Mr. Agresto. I could be wrong on this, but I don't think the legislation says the peer review process must give particular attention. It means the agency must give particular attention.

And by that I surely know it means that we should cast a wide net and make sure that all interested parties and groups who may not otherwise know about us, know about us. That community colleges, rural schools, museums, and libraries in small towns, that they know about the availability of projects and programs at the Endowment.

That is not what the peer review system has to do. That is what I have to do.

Senator McClure. There is also a requirement that the Endowment initiate and support programs and research which have substantial scholarly and cultural significance and that reach or reflect the diversity and richness of our American cultural heritage, including the culture of a minority, inner city, rural, or tribal community.

Do you plan to have to carry out this directive within the scope of your current programs, or would there be a special initiative as is the case with historically black colleges and universities?

Mr. Agresto. I think we can carry out the wishes of the legislation. In fact, I am certain that we can, within our current programs and especially within the guidelines of some of our current initiatives that we have begun. I don't think we need any new initiatives to do this.

For example, there is our initiative on "Understanding Other Nations," which concerns languages and cultures that are not indigenously American, and our initiative on the quincentenary of Columbus' expedition to America, which I know is of particular interest to Hispanic Americans and native Americans as well. Both within our regular programs and within some of the initiatives we have already established, we can cover the field.

## NATIONAL CAPITAL ARTS AND CULTURAL AFFAIRS PROGRAM

Senator McClure. The funds provided in fiscal year 1986 for the National Capital Arts and Cultural Affairs Program for which the Endowment is given administrative responsibility, are proposed for rescission. Mr. Agresto, you kindly provided us with a copy of your letter of March 3 to Chairman Yates expressing your concerns about the program.

You object to the program on the basis that each of the organizations is eligible to apply for grants from both Endowments, and from the Institute of Museum Services, and further state the Endowment review panels would not be likely to look favorably on these organizations because of the special considerations already provided.

Don't a number of States, through their legislative process, provide special funding to selected institutions within their State?

Mr. AGRESTO. Yes; that is correct. I have even done some research myself on it, and that is absolutely correct.

Senator McCLURE. In many ways, the Federal Government provides additional consideration to the District simply because there is no State government, and because of its status as the Nation's Capital. Almost all of the appropriations subcommittees have tucked in them special projects for the organizations or programs in the District, which are outside the scope of services provided to the rest of the Nation.

Do you feel that such treatment is inappropriate?

Mr. AGRESTO. No, I do not think the treatment is, in itself, inappropriate. I sent a letter to Congressman Sidney Yates and to yourself, sir, to raise what I thought would be problems and concerns that would surface as the program became part of our programs.

I laid out in that letter what I thought would be concerns that others would have. But, the fact of the matter remains that we are still ready to go ahead with this program, and we are on time.

Senator McCLURE. Well, I am bothered by your contention, and once again, I wish to thank you for sending us a copy of the letter—but, I am bothered by your contention that the organizations receiving funds under the special program we have authorized, would not receive equal consideration for grants from the Endowments. An attachment to your letter is provided, showing funding received by several of the organizations from the Endowments and IMS over the past 3 years.

Do you mean to indicate that the panels were unaware during those years that these organizations had received line item consideration by the Congress, and now that we have formalized the program, such applications would be reviewed in a different light, even though there has been no substantive change in their status?

Mr. AGRESTO. To answer the first question, I think the answer is honestly, yes. I do think that they were unaware that there were these line items in other budgets for the various institutions in Washington. I think that honestly that is the case.

As to the second point, should such applications be judged in a separate light or a different light? The answer is clearly, no. They should not be. I absolutely believe that panels should not review the applications they have before them on any other ground than the excellence and the merit of those applications.

And I will do my best to see to it that panels are directed not to judge them on any other basis. All I want to do, sir, is say what I think is probably clear: that human nature being what it is, people may tend to say, "Hey, doesn't this institution already get Federal funds through NEH? Do we have to give them more? Can't we spread the wealth around a little bit more than that?"

I'll try to make sure that that is not the argument they make. But, human nature being what it is, they may make those arguments.

Senator McCLURE. If I understood that earlier statement, you have indicated the letter was an expression of your opinion and advice to us, but that if in our wisdom the Congress continues the program, you are prepared to administer it?

Mr. AGRESTO. We are prepared to administer it; we are on schedule to administer it.

Senator MCCLURE. I might just parenthetically add one other comment. Almost every major city is host to various businesses. Those businesses—particularly in those which are company towns, the company funds a variety of different things for that city.

I think in the District of Columbia, it is beyond question that this is a company town and that the Government is the company.

It seems appropriate to me and some others, that the Government to this city in which it is such a major presence, the way private sector businesses react to the cities in which they are major presences. That is a unique and different relationship in this district than the Government has in any other city in the United States. And, I guess that is part of the reason why Congress established such a special program.

Mr. AGRESTO. One thing I did discover in looking over some facts and figures was the high level of private support for these institutions. In some cases, far higher than in any other cities. And I think that the private sector has to be brought into this and commended.

## HISTORICALLY BLACK COLLEGES AND UNIVERSITIES INITIATIVE

Senator MCCLURE. Because of a special emphasis on historically black colleges, the Endowment provides fellowships for faculty from these institutions, to spend a year working on the completion of a doctoral program in the humanities.

Since the inception of this program, how many fellowships have been awarded, and how many recipients have successfully completed a doctoral program?

Mr. AGRESTO. If I remember correctly, the program began in 1983 so we are into our third year of the program. We have given about 35 fellowships in the program so far.

It takes a while, as you know Senator, to get a doctorate. So, I can't give you large numbers of people who have completed the Ph.D. I know there are a few. We do have a few who have completed. I know there are others who are on track, and I expect that they will be completed soon, and I hope that they all will.

Senator MCCLURE. Would you give us for the record, those who have completed and those who are continuing, and expected to continue?

Mr. AGRESTO. Sure. No problem.

Senator MCCLURE. Please.

[The information follows:]

### FACULTY FELLOWSHIPS

Since the program began in 1983, 34 fellowships have been awarded. Two NEH fellows have already received their degrees to date and another expects to receive the degree in May 1986. In addition, eight fellows are writing their dissertations and expect to receive their Ph.D.'s in a year or two.

## STATE PROGRAMS

Senator McClure. The Endowment's reauthorization legislation requires the States to include several additional components in their State plans, including a requirement for reasonable notice and public meetings and a description of the extent to which programs are available to all people or communities of the State.

What is the background for these additional requirements?

Mr. Agresto. I'm not absolutely certain, sir. I think best to put it something like this: that the Congress meant to ensure that the States continue to serve all the people in all the communities everywhere in their States.

We think that is being done. We think that will continue.

Senator McClure. Is it reasonable to expect that the State programs will reach all people or communities of a State?

Mr. Agresto. I do think that is something that is not unfair or unreasonable to ask States to aim at. It is something that we, ourselves, have asked States to do from the inception of the program. We have been emphasizing that with the States. I think as a goal that is something the States should set out to do. Yes, I don't think that is unreasonable.

Senator McClure. Is the result here tested in the same way as the grants in that peer review will reach out to everybody, but the results don't necessarily spread themselves in the same way?

Or, is there a different result?

Mr. Agresto. It may be slightly different in the States. We could ask, and I think see, that in fact not all of the programs are concentrated in one city where the major university is, that professors and teachers really did go out to other places outside of their home towns.

Senator McClure. So, in this case, quality ranking isn't the only criteria?

Mr. Agresto. Here, I think part of the quality ranking of the State program is that they not concentrate it just in——

Senator McClure. But not in the other grants?

Mr. Agresto. In all of them we would ask that all people be eligible to apply, and if they have quality programs, they will do it.

No; if a State came and said, "You know we did this in this far corner of the State but it really was a lousy program and we knew it," they don't get a point for that.

## QUALITY AND OUTREACH IN STATE PROGRAMS

Senator McClure. I understand that. I am just trying to get through my own thinking process, the reasons why you get a different result in one program than you get in another. One quality control. The outreach is universal, but the result may not be universal. It is quality driven.

In this instance the outreach may be equal, but it won't be simply quality review that determines the outcome. There will be other factors that are involved in this one, but not in the others.

Mr. AGRESTO. What we do is ask that the State make the attempt to see that its programs are available statewide and in various communities in the State.

Senator MCCLURE. You want the State to do what you don't.

Mr. AGRESTO. No; no. [Laughter.]

I think I stated the fact that our programs really are available nationwide.

Senator MCCLURE. Available. But one is the availability, and the other is the result.

You say in both instances, the availability should be identical, but the results should be different?

Mr. AGRESTO. I would like the result to be in all cases that quality programs are on our side nationwide, and on their side statewide.

In fact, we do find that when we review our grants that there are States that have fewer grants than others. And, in fact, not to name the State, but just recently three of us on three separate occasions spent a good time there talking about the policies and programs that we have, and trying, in a sense, to drum up quality proposals from that State.

### DISTRIBUTION OF AWARDS BY STATE

Senator MCCLURE. Well, I don't object to a different criteria, or even a different result if there is a rational reason.

I would note, however, if you will look at the table that shows the summary of grants and awards by State fiscal year 1985, page 93 of your justification, the State of New York got 2½ times more than the next nearest State in dollar ranking. The States of California and Massachusetts got nearly twice as much as anyone else besides New York. Those three States account for a high percentage of the total.

Mr. AGRESTO. I had occasion to look at this list just the other day. I was talking to one of the members of the National Council on the Humanities about his State. And his State is, I won't say exactly at the bottom, but it is very, very close to the bottom. And there were, all told, about 9, 10, or 11 grants to that State over the past year. And, he wanted to know what the cause was.

And, I said my guess is that we haven't received many proposals from that State.

We went back, and that was the truth. We had not received many proposals from the State, even though I had been there recently and two other people from my staff had just gone there. But the ratio of awards to applications for that State was as high as, in fact higher, than the national average.

I do think that the best way to solve the problem is to go to places that have put in few proposals and say we are ready and anxious to get quality proposals from these States.

I don't think what you will find is that some States put in proposals and the result is that they fail consistently. Some of the States at the lower end just don't send in enough proposals.

Senator McClure. That could well be. Maybe they haven't been encouraged, maybe they haven't been successful.

But, I am puzzled—I am more than puzzled, I am troubled, by a distribution that shows one State getting 20 percent of the total, and three States getting one-third of the total.

Mr. Agresto. I still would not want to say to the panels, disregard quality proposals from Massachusetts, or put above them quality proposals from X State or Y State.

In fact, libraries, colleges, museums, do tend to be concentrated in some of the States——

Senator McClure. I understand that. That which has, gets. That's an old vulgate that sometimes does accurately apply.

But again, to refer, just a moment ago you were saying to the States and the State programs they have to see this spread out a bit. And you, and your own administration, have not done that.

Mr. Agresto. We certainly spread it out to each of the States and the territories. And the State programs, each one receives, by formula, an equitable distribution. So, on that score we begin with the kind of distribution that is nationwide.

All we say to the State programs is, make sure that you try to have programs that are not simply concentrated in one area. Cultivate projects in the corners of your State.

They do that, and honestly, we try to do that as well. We try to do that nationwide. On that score we are not different.

Senator McClure. Well, I hope you will pay some attention to that and try to analyze reasons why even further, and perhaps take some—if I can use that terrible term—"affirmative action" to see if it is possible to determine why and how—why it happens and how we can correct what seems like an inordinate concentration in a few areas.

Mr. Agresto. Notice also what happens, sir. Even though a seminar—let's say a seminar for high school teachers—might be held in Pennsylvania, that seminar is itself open to people from Wyoming, Nevada, Nebraska, Kansas, and other States. And, in fact, we receive applications and make awards to such people. You can't actually go by the simple listing, for example, of where the projects took place.

Another example, the productions we fund in the media program—television and radio—with nationwide distribution. The fact is, it may have come out of WGBH-TV in Boston, but it is not shown just to people in Boston. It is a nationwide television show.

So, on that score, these are not exactly accurate kinds of lists.

## PRESERVATION COOPERATION WITH THE LIBRARY OF CONGRESS

Senator McClure. The Endowment works cooperatively with the Library of Congress in support of several activities funded by the Office of Preservation.

Has the Library substantially reduced their commitment to your joint projects this year?

Mr. AGRESTO. No; not at all. In fact, there has just been no indication that the Library of Congress even intends to reduce support or cooperation with us in any way.

SUPPORT FOR NEW YORK PUBLIC LIBRARY

Senator MCCLURE. According to the justification, the Endowment began this year using challenge funds rather than Treasury funds or program funds to support the New York Public Library in its long-term efforts to increase its level of support from a variety of sources.

Is the library receiving any different consideration under the Challenge Grants Program than other applicants?

Mr. AGRESTO. There are a few technical differences between the New York Public Library and other libraries and other institutions in the Challenge Grants Program. But we attached the New York Public Library to the Challenge Grants Program because it was more appropriate to have it judged and weighed there in that program than where it was before, namely in the Research Division.

It has always received—when it raised gifts—matching funds. And by putting it in the Challenge Grants Program we are able to have the library raise gifts on a 3-to-1 match as opposed in the past to a 1-to-1 or 2-to-1 match, which is what it was in the Research Division.

So, we moved it there and we now can put a 3-to-1 match on any moneys that they receive from us.

I do have to assure you that the proposals we get from the New York Public Library still go through a competitive peer review process and are judged by the standards within the Challenge Grant Program.

Senator MCCLURE. The fact that it is in the Challenge Grant Program, therefore, leverages more gifts. It doesn't enhance its standing in the ranking for all grants.

Mr. AGRESTO. It still competes as it always has competed, but we can now leverage considerably more money than we could have in the past.

Senator MCCLURE. It competes, but on the same basis that it always has?

Mr. AGRESTO. I think it is exactly the same basis. Yes.

Senator MCCLURE. The same basis that everyone else does?

Mr. AGRESTO. It competes on the same basis that it always had in the past when it was in the Research Division. There are some technical differences between it and the other——

Senator MCCLURE. I'm not really looking at technical differences. Because you know it leverages more money, that you therefore automatically move it up in the rankings?

Mr. AGRESTO. Oh, no. No, no.

Senator MCCLURE. That's what I am getting at.

Mr. AGRESTO. Oh, no. Absolutely not.

Senator MCCLURE. Section 515 of the Treasury-Postal Service Appropriations bill requires that all Federal agencies place 10 percent of the funds provided for consultant services into a reserve in fiscal year 1986.

Is the Endowment complying with this provision?

Mr. AGRESTO. We looked into this recently. The provision, it seems, applies to agencies that request more than $5 million in consulting services. We spend less than $100,000 a year for such services. So, the way we understand it, we do not think that provision covers us.

## EXPENDITURES FOR EQUIPMENT

Senator McCLURE. The Endowment's recent history of expenditures for the purchase of equipment is a cause for concern. You have been supplied with a table which was compiled using information contained in your justifications which could lead one to believe that at year end the Endowment has excess funds in the administrative account, which are used for equipment purchases.

That table will be printed in the record at this point.

[The information follows:]

EQUIPMENT EXPENDITURES

| Fiscal year | Request | Estimate in subsequent justification | Actual |
|---|---|---|---|
| 1983 | $23,000 | $15,000 | $104,000 |
| 1984 | 16,000 | 70,000 | 96,000 |
| 1985 | 70,000 | 55,000 | 130,000 |
| 1986 | 50,000 | 60,000 | |

Senator McCLURE. These figures are particularly bothersome in view of the fact that $266,000 was spent in fiscal year 1982 on new equipment for the Endowment when you moved into the Old Post Office.

What is the reason for the sizable discrepancies in equipment request versus actual expenditures?

Mr. AGRESTO. I will continue to look into this, sir.

When we put together our budget requests each year, the cost of equipment worries me and equipment purchases worry me as much as it worries you, and I tend to always give it low priority in our administrative budgets.

We try to be as careful with our budgets and with the money allocated to us as possible. If we can, in fact, save money in the administrative budget over that year, then—for example this year we have been saving money by not having a chairman and saving that salary at the Endowment—then equipment rises higher in my priorities. It begins quite low.

But if we have funds that we can then direct within the administrative funds that we have saved, I will then look at equipment, look at data processing, computer equipment, and so on.

I have to tell you that I think we have been as careful with this budget as we can. You know that in past years we have turned back handsome sums to the Treasury from that.

Senator McCLURE. That's not really my question, Mr. Agresto. My question is, why do you make one request and spend a different amount?

Mr. AGRESTO. If I understand the process——

Senator McCLURE. Let me give you the figures that are in the table. I think they have been supplied to you.

Mr. AGRESTO. I have seen them, yes.

Senator McCLURE. In fiscal year 1983, you requested $23,000; your 1983 estimate in the subsequent justification was $15,000; your actual expenditure was $104,000.

1984, you requested $16,000; your revised estimate was $70,000; and you spent $96,000.

1985, you requested $70,000, revised in the 1986 justification to $55,000 and spent $130,000.

That is what I am getting at. Not whether it was right or was wrong, but why the huge variation between what you request and what you justify, and then what you spend.

Mr. AGRESTO. I thought I answered the question. I can certainly try again. And I can add further information for the record.

My understanding is that what we request is low. But if we can make savings within that budget, if something becomes necessary—for example, money for computer programs for automatic data processing, which I tend not to give top priority—if in fact money is available for that, and I know that that will save us administrative funds in the future, then I tend to—to say, OK, let's use the money we have in administration for this purpose.

Is that not sufficient?

Senator McCLURE. That's not the way the budgeting process is supposed to work; in which you know what it is you want and need, you tell us what you want and need, we look at what it is you said you want and need, and provide the amount of money we believe can be afforded, and then you spend that amount.

You asked for one thing, justify another, and spend much more.

Mr. AGRESTO. We estimate as best we can. Sometimes we estimate wrongly, and we have turned money back.

Senator McCLURE. Everybody makes mistakes, and I read about the Pentagon once in a while. You are in their league. Not in dollars, but in percentages.

Mr. AGRESTO. For example, we expected a new chairman and we budgeted for a chairman's salary, but we had that money available for other administrative expenses. I can spend that on needed and necessary equipment.

Senator McCLURE. Would you please provide for the record equipment expenditures by quarter for the last 3 fiscal years?

Mr. AGRESTO. Sure, we will.

[The information follows:]

EQUIPMENT PURCHASES

| | Fiscal year— | | |
|---|---|---|---|
| | 1983 | 1984 | 1985 |
| First quarter | $2,000 | $53,000 | $8,000 |
| Second quarter | 16,000 | | 14,000 |
| Third quarter | 7,000 | 12,000 | 13,000 |
| Fourth quarter | 79,000 | 31,000 | 95,000 |
| Total | 104,000 | 96,000 | 130,000 |

## AUTOMATED DATA PROCESSING EQUIPMENT RENTALS AND PURCHASES

Senator McCLURE. Provide for the record a detailed report on ADP equipment rentals and purchases for the last 3 fiscal years.

Mr. AGRESTO. Sure, we will.

[The information follows:]

### ADP RENTALS AND PURCHASES

NEH has developed an integrated word processing and automated application and grant information system that supports virtually every aspect of the agency's operations, from the receipt of an application to the closing of a grant. It is a system that has enabled us to make significant reductions in personnel over the years, and other Federal agencies have expressed interest in it. The agency's investment in ADP equipment has been prudent and has more than been offset by savings in personnel resources.

The determination to purchase or rent ADP equipment is based on (1) a comparative cost analysis to determine the method of acquisition that represents the lowest overall cost over the life of the equipment, (2) potential changes in the field that would render the equipment obsolete and useless, and (3) an analysis of the manner in which the equipment will be used in meeting future ADP plans and objectives.

Following is a list of equipment purchases and rentals by year.

#### FISCAL YEAR 1983

ADP equipment purchase: ($86,000)

The major enhancement to the NEH ADP facilities was the replacement of the computer's central processing unit [CPU] with a larger capacity (VS–100) CPU capable of providing expanded computer support across all organizational elements. Included in the year's cost were 8,000 feet of cable and other installation materials.

ADP rental: ($82,000)

In 1983, NEH leased 14 computer terminals, 9 letter-quality printers, and a 288 MB disk drive. This equipment is used in all Endowment offices for both ADP and word processing.

#### FISCAL YEAR 1984

ADP equipment purchase: ($25,000)

To improve the system and make it more effective, NEH purchased: a 288 MG disk drive, a magnetic tape cleaner, printer silencer covers, megabyte disk packs, and cables.

ADP rental: ($81,000)

In 1984, NEH leased 25 computer terminals and 13 letter-quality printers. This equipment is used in all Endowment offices for both ADP and word processing.

### FISCAL YEAR 1985

ADP equipment purchase: ($48,000)

Hardware components and parts geared to provide expanded ADP support were purchased. These included a 288 MB disk drive, three professional computers [PC's], and connection equipment.

ADP equipment rental: ($108,000)

In 1985, NEH leased 30 computer terminals and 14 letter-quality printers. This equipment is used in all Endowment offices for both ADP and word processing.

## ADDITIONAL COMMITTEE QUESTIONS

Senator McCLURE. Thank you for your testimony, Mr. Agresto. There are some additional questions for which we will ask an answer in writing for the record.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

### Student Loans

Question: Are the applications automatically denied, or do they go to the peer review panels with a recommendation for denial?

Answer: They will be automatically denied. It is a threshold criteria of eligibility.

### Other Special Initiatives

Question: The Endowment has underway several special initiatives in addition to those for Historically Black Colleges, namely: the Bicentennial of the U.S. Constitution, the Columbian Quincentenary, Understanding America, and Understanding Other Nations. For the current year and for fiscal year 1987 how much, in total, do you estimate will be spent for these special initiatives?

Answer: During the first half of fiscal year 1986, we have spent approximately $2,300,000 on the Bicentennial initiative.

The Understanding America and Understanding Other Nations initiatives were announced in October of 1985. Since very few application cycles have run their course in the intervening 5 months, we are not yet able to estimate the amount of funds we expect to spend on either initiative this fiscal year.

We have recently devised a tracking system to chart applications and expenditures on the Columbian Quincentenary initiative. When that system is fully operational we will be able to determine how much we will spend on this initiative this fiscal year.

In FY 1987 we expect interest in all four initiatives to remain high although we cannot predict actual expenditures at this time.

Question: Have any concerns been expressed from the field that the Endowment is putting too much focus on special initiatives at the expense of other scholarly interests?

Answer: We do not know of anyone who has expressed this concern. Moreover, we think such a concern would be unfounded because the initiatives are grounded in the basic humanities disciplines of history, literature, and foreign languages. The initiatives are not being implemented at the expense of other agency pursuits; they simply call applicants' attention to broadly-based thematic emphases we are encouraging in all of our funding programs.

Question: Are the State Humanities councils following the lead of the Endowment in emphasizing these special initiatives in their programs?

Answer: The state councils are active participants in all four initiatives. The initiatives have been featured prominently at recent regional and national meetings of the councils.

The descriptive brochure we have developed on the Understanding America and Understanding Other Nations initiatives includes a separate section devoted to the state councils' role in these two initiatives.

The Bicentennial initiative has inspired a wide range of council-conducted activities, in some cases tied to the state's role in the constitutional era. These projects have been funded in various regions of the country and are expected to increase steadily in number through 1987.

The state councils are participating in a variety of ways in the Columbian Quincentenary initiative. The Puerto Rico Endowment for the Humanities, for example, has set aside $25,000 annually to support projects related to the commemoration of the Quencentennial. They are encouraging applicants to explore such topics as the evolution of the Spanish language in the Americas from the 15th century to the present.

## National Capital Arts and Cultural Affairs Program

Question: At what point do you anticipate receiving applications for the program and when would you plan to make awards for the current fiscal year?

Answer: As I mentioned at the hearing, we have the application process ready to go. Applications will be mailed out April 1, and the institutions have until May 8 to apply. We expect to make awards by May 30, 1986.

## Education Programs

Question: A comparison of the fiscal year 1987 request with the actual appropriations for fiscal year 1985 shows a substantial shift in emphasis within the education programs. Humanities instruction in elementary and secondary schools would be reduced by 34 percent, while central disciplines in undergraduate education would be increased by 8 percent. What is the reason for the increased emphasis at the college level at the expense of elementary and secondary programs?

Answer: Improving humanities instruction in elementary and secondary schools has been and will remain a major emphasis of this agency. The sums requested for the Humanities Instruction in Elementary and Secondary Schools program in FY 1987 should be completely sufficient for it to fulfill its appropriate role in assisting the efforts of these institutions to do a more effective job of teaching the humanities. The sums requested will permit the Elementary and Secondary program to fund all proposals rated "excellent" and most rated "very good"; and, because of the recent success of collaborative projects, which have a significant matching component, these sums will enable the program to continue to have its present impact with less expenditure of outright funds.

It is also important to note that the Elementary and Secondary Program is not the only NEH program that aids elementary and secondary education. During FY 1985, grants totalling $4.2 million were funded elsewhere in the Endowment for projects to improve primary and secondary education or to instruct the young. These grants included:

- -- $2.5 million for Summer Seminars for Secondary School Teachers, funded through the Division of Fellowships and Seminars;
- -- $354,500 in Challenge Grants for institutions involved in primary and secondary education or working with children; and
- -- $338,741 in Media Program for educational radio and television programming for this age group.

Nevertheless, the Endowment's role in primary and secondary education is necessarily limited -- as is that of the federal government itself. States and localities bear the primary responsibility in this area. Moreover, there are far too many primary and secondary schools in this country for NEH to have a direct funding impact on many of them. What NEH can do is to provide these institutions replicable models of successful approaches by funding a limited number of genuinely outstanding projects.

Question: At the undergraduate level, grants are made for curriculum review and program planning. Do institutions receiving these grants usually receive a follow on grant for implementation of the restructuring of the curriculum?

Answer: Planning grants are awarded in the Central Disciplines program to assist undergraduate institutions to achieve goals that are considered to be complete in themselves. However, institutions that have received NEH support for planning can and do apply for implementation support as well. Applications for implementation grants are reviewed together with all others that come to the program and have about the same funding success ratio.

Under present guidelines most grants in the Central Discplines program are actually for the implementation of curricular improvements. They typically support:

- -- faculty development activities, such as seminars, workshops, sabbaticals, and summer stipends;
- -- course revisions;
- -- visiting scholar programs; and
- -- consultant services.

Question: The justification characterizes the implementation grants as "costly." What is the range of costs in restructuring undergraduate curricula and what portion of these costs are borne by Endowment grants?

Answer: The implementation projects that the budget characterizes as "costly" are supported in the Fostering Coherence

Throughout an Institution category of the Central Disciplines program. Not all implementation projects supported in Central Disciplines are extremely expensive, however. The total costs of implementation projects, including cost sharing, are as follows:

-- Improving Introductory Courses - $15,000-$150,000;

-- Promoting Excellence in a Field - $50,000-$250,000; and

-- Fostering Coherence Throughout an Institution - $450,000-$700,000.

The proportion of project costs for implementation borne by NEH also varies:

-- Improving Introductory Courses - $10,000-$90,000, or no more than 70 percent;

-- Promoting Excellence in a Field - $30,000-$150,000, or no more than 70 percent;

-- Fostering Coherence Throughout an Institution - $200,000-$300,000, or no more than 50 percent.

Many grants in Fostering Coherence also entail the requirement to raise third-party gifts to release federal matching funds.

## Office of Preservation

Question: To date, 26 states and territories have received support through the Endowment's U.S. Newspapers Project. What is your goal for this program and how much longer do you expect to continue this activity?

Answer: The program's objective is to establish a central bibliographic record of the estimated 300,000 American newspaper titles and to make microfilm copies of those most useful to historians and other humanities scholars. The program has already brought over 40,000 titles into a national data base that is accessible at more than 6,000 computer terminals in libraries all over the country.

We can not give a precise estimate of how much longer the U.S. Newspapers Project will be needed because the individual state projects that comprise the bulk of the program are at various stages of completion; some states already have projects in place while many others have barely begun. We estimate, however, that the entire national project will take at least another twenty years. The extent of the Endowment's involvement in this activity will be reassessed from year to year, but we remain committed to the Project for the foreseeable future.

## Historically Black Colleges and Universities Initiative

Question: For how long do you anticipate that the Endowment will continue the special emphasis on Historically Black Colleges?

Answer: Our response to the President's initiative on Historically Black Colleges and Universities (HBCU) has been extremely successful. Activities have included: the graduate study program, the HBCU Institutes in the Division of Education, and the special Summer Seminars held at various HBCU's.

Each year we review the performance of this initiative as well as all other NEH programs and initiatives in preparation for the next year's budget submission. We have no plans to discontinue this initiative at this time.

## New York Public Library

Question: For the record, please provide a list of all NEH funds to the New York Public Library since fiscal year 1980 along with estimated awards for fiscal years 1986 and 1987.

Answer: The following table shows total NEH obligations for the New York Public Library from FY 1981 through FY 1985 and estimated obligations for FY 1986 and FY 1987. Most of the fluctuations in the yearly totals are due to the timing of the certification of gifts by the Library.

NYPL is eligible to apply for specific project support from all NEH divisions. For example, the FY 1986 estimate includes a grant of $194,446 from the Humanities Projects in Libraries program to support an interpretive exhibition and other programs concerning the drafting and ratification of the U.S. Constitution.

| Year | Total NEH Funds Obligated |
|---|---|
| FY 1981 | $2,556,913 |
| FY 1982 | 1,165,000 |
| FY 1983 | 2,869,121 |
| FY 1984 | 2,367,017 |
| FY 1985 | 1,549,107 |
| FY 1986 | 2,358,570 (estimated)1/ |
| FY 1987 | 2,000,000 (estimated)2/ |

1/ Includes Challenge funds and definite program funds.
2/ Challenge Grant funds only.

## Emergency Grants

Question: According to the Endowment's Annual Report, 13 emergency grants were made in fiscal 1985. For the record, please provide a brief description of these grants and for any grants made to date in fiscal year 1986.

Answer: Attached are summaries of all Emergency Grants awarded in FY 1985 and FY 1986 to date. As you can see in the write-ups, these grants are only made in response to extraordinary and emergency situations that arise between meetings of the National Council on the Humanities.

I also very seldom use this authority. For example, the 13 Emergency Grants made in fiscal 1985 involved less than .3 percent of the Endowment's appropriation of definite funds -- far less than the 10 percent allowed by law.

## National Endowment for the Humanities

## FY 1985 Emergency Grants

(1)

| | | |
|---|---|---|
| ES-21181-85- -0-0 Grantee:INST/ORGANIZ | **APPROVED DATE: | 00/00 |
| Ms. Sally Muravchik | **START DATE | 12/01/84 |
| American Federation of Teachers | **END DATE | 01/31/85 |
| Washington, DC 20001 | **APPROVED OR | 3,520.00 |
| CONG.DISTRICT: 00 | **FUNDED OR | 3,520.00 |

TITLE: Domestic Democracy Project

On December 19 and 20, 1984, the AFT will sponsor a meeting of the "Domestic Democracy Project" which intends to plan a national conference for March of 1986 on the need for public schools to emphasize anew the history, values, and processes of American democracy. The working committee will consist of nineteen people, and the funds from the Endowment will support the costs of some of the committee members. The Emergency Grant mechanism is appropriate because the idea for the conference and thus the need for the planning meeting arose as a result of Sidney Hook's May 1984 Jefferson Lecture. (Mr. Hook has agreed to serve as honorary chairman of the 1986 conference.) The May 1984 deadline to the "Humanities Instruction in Elementary and Secondary Schools" program was too early to receive this request, and the January 1985 deadline is too late to request planning assistance for a March 1986 project.

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(2)

| | | |
|---|---|---|
| GL-20615-85- -0-0 Grantee:INST/ORGANIZ | **APPROVED DATE: | 00/00 |
| Ms. Lena C. Orlin | **START DATE | 11/01/84 |
| Folger Shakespeare Library | **END DATE | 04/30/85 |
| Washington, DC 20003 | **APPROVED OR | 29,980.00 |
| CONG.DISTRICT: 88 | **FUNDED OR | 29,980.00 |

TITLE: Symposium on French Culture During the Reign of Louis XIV

PROJECT DESCRIPTIONS:

To support a public symposium and series of lectures on Louis XIV, which will coincide with an exhibition, "The Sun King," at the Corcoran Gallery in Washington, D.C.

This grant provides $29,979.96 to support a symposium at the Folger Shakespeare Library on "The Ascendancy of French Culture During the Reign of the Sun King, Louis XIV," on March 14, 15 and 16, 1985. The symposium will coincide with an exhibition on Louis XIV at the Corcoran Gallery and will involve major scholars from throughout this country and abroad. The emergency stems from the fact that the Folger learned recently of the Sun King exhibition which closes in April 1985. This precludes review through the regular cycles.

(3)

| | | |
|---|---|---|
| GN-22426-85- -0-0 Grantee:INST/ORGANIZ | **APPROVED DATE: | 00/00 |
| Ms. Paula L. Haller | **START DATE | 10/01/84 |
| Ganesha Productions | **END DATE | 01/31/85 |
| Los Angeles, CA 90048 | **APPROVED OR | 20,000.00 |
| CONG.DISTRICT: 24 | **FUNDED OR | 20,000.00 |

TITLE: Planning Grant for One-Hour National TV Film (PBS) Based on National Traveling Exhibits Included in Festival of India

This grant provides $20,000 for the planning of a one-hour documentary film on Indian art, focusing on appreciation and interpretation of the cultural artifacts that will be part of the national traveling exhibitions included in the Festival of India. The emergency rests on the need to film before the exhibition objects are crated in India for transport to the United States and the need to complete the film before the opening of the Festival in June 1985.

(4) GP-21231-85- -0-0 Grantee:INST/ORGANIZ **APPROVED DATE: 00/00
Mr. Frank B. Jones **START DATE 02/01/85
Indiana University Alumni Association **END DATE 12/31/85
Bloomington, IN 47405 **APPROVED OR 29,360.00
CONG.DISTRICT: 00 **FUNDED OR 29,360.00
TITLE: Northwest Territory Bicentennial, 1987

Indiana University Alumni Association

This award will support a two-day planning conference devoted to the forthcoming observance of the bicentennial of the Northwest Ordinance. It will provide travel expenses for alumni representatives and scholars from eight universities and will underwrite preliminary work on a traveling exhibit to be organized by Indiana University's Lilly Library. If the applicant had applied for planning funds through the normal competitive cycle, planning could not begin earlier than October of this year and an implementation proposal could not be presented before February 1986. The applicant argued convincingly that such a timetable would mean that no programs would be in place by 1987.

(5) RO-20596-85- -0-0 Grantee:INST/ORGANIZ **APPROVED DATE: 00/00
Professor Phyllis P. Bober **START DATE 02/01/85
College Art Association of America, Inc. **END DATE 01/31/86
New York, NY 10016 **APPROVED OR 10,000.00
CONG.DISTRICT: 00 **FUNDED OR 10,000.00
TITLE: Conference to Develop Guidelines for the Fair Use of Visual Materials in Scholarship and Research

College Art Association of America, Inc.

This project proposes to carry forward the work of committees established by the College Art Association of America and the Society of Architectural Historians by promulgating fair-use guidelines in order to ameliorate the increasingly burdensome reproduction rights fees that impede scholarly research and publication in the fields of history of art/architecture and archaeology. Funding is sought for consultation with all concerned constituencies, for a final negotiating session with representatives from these various constituencies, and for initial publication and dissemination of the agreed-upon principles governing scholarly use of visual materials in non-commercial publication.

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(6) RO-21121-85- -0-0 Grantee:INST/ORGANIZ **APPROVED DATE: 00/00
Dr. Gilbert W. Merkx **START DATE 04/01/85
University of New Mexico **END DATE 04/30/86
Albuquerque, NM 87131 **APPROVED OR 60,000.00
CONG.DISTRICT: 01 **FUNDED OR 60,000.00
TITLE: Chairman's Grant: ENCUENTRO, A Columbus Quincentenary Newsletter

University of New Mexico

This grant provides $60,000, half from NEH and half from NEA, for publication costs of a newsletter to report on projects of the Christopher Columbus Quincentenary Jubliee Act. The Chairmen of the NEH and NEA are directed to cooperate with the Quincentenary Jubilee Commission in the encouragement and coordination of scholarly works and presentations focusing on the history, culture and political thought of the period surrounding the voyages of discovery. Costs of this project are being shared equally with the Arts Endowment.

(7) ES-21306-85- -0-0 Grantee:INST/ORGANIZ
Dr. William T. Stuart
Admiral H.G. Rickover Foundation
McLean, VA 22102
CONG.DISTRICT: 10
TITLE: Humanities for Young Scholars

**APPROVED DATE: 00/00
**START DATE 05/01/85
**END DATE 09/30/85
**APPROVED OR 15,169.00
**FUNDED OR 15,169.00

The Admiral H. G. Rickover Foundation

This award provides $15,169 to support the final planning and implementation of a new humanities program for the 1985 Rickover Summer Institute. The institute participants include 65 high school science and mathematics students and eight high school teachers. The project is designed to integrate the study of selected major texts in philosophy, literature, and history with the institute's other major activities in mathematics and the sciences. Endowment funds will help support the participation by major scholars and a high school teacher in the humanities who will conduct the humanities portion of the summer program. Some of the Endowment funds also would be used to evaluate this summer's activities to assist the preparation of similar activities in future years. Since the Rickover Foundation sought to initiate the new humanities program in its 1985 summer institute, the Endowment's regular application deadlines came too late for the timely evaluation of the proposal through the regular program structure.

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(8) EH-20549-85 Grantee: INST/ORGANIZ
Mr. James Gollattscheck
American Association of Community
and Junior Colleges
Washington, DC 20036
CONG. DISTRICT:
TITLE: Community College Response to the Funded Challenges of To Reclaim A Legacy

**APPROVED DATE: 00/00
**START DATE 04/01/85
**END DATE 10/31/85
**APPROVED OR 30,000.00
**FUNDED OR 30,000.00

American Association of Community and Junior Colleges

The Association will convene a humanities roundtable consisting of community college presidents and faculty to discuss To Reclaim a Legacy and a position paper commissioned for the meeting. The paper will deal with the questions: Why study humanities in community colleges? How should humanities be taught and learned at community colleges? How well are humanities being taught? How should the academic leadership at community colleges respond to the challenge? What should comprise the humanities requirement at community colleges? A report of the roundtable will be distributed to all community colleges. An Emergency Grant mechanism will allow the AACJC to initiate the project at their annual meeting in April 1985, to conduct the roundtable in June 1985, and to have a report with recommendations distributed to its members by September 1985, thus guaranteeing a timely and vigorous response.

(9) RD-20722-85- -0-0 Grantee:INST/ORGANIZ
Mr. Chhang Song
Save Cambodia, Inc.
Arlington, VA 22207
CONG.DISTRICT: 10
TITLE: Cambodian Studies Conference

**APPROVED DATE: 00/00
**START DATE 04/01/85
**END DATE 10/31/85
**APPROVED OR 15,000.00
**FUNDED OR 15,000.00

Save Cambodia, Inc.

On April 17-20, 1985, Save Cambodia, Inc. sponsored a conference for scholars (archaeologists, anthropologists, historians, museum curators) and others to discuss selection, preservation, and archival depositories for artifacts and documents about Cambodian culture.

The schedule of the conference followed closely an Asian Studies meeting in Philadelphia and coincided with the tenth anniversary of the fall of Cambodia, an occasion conference planners hoped would help focus public attention upon the need for conservation of the artifacts of Khmer culture. The emergency arose from the fact that conference participants could not be confirmed until late last fall, too late for the regular Research Conferences review cycle.

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|---|---|---|---|
| (10) | RT-20638-85- -0-0 Grantee:INST/ORGANIZ | **APPROVED DATE: | 00/00 |
|  | Professor Warren T. Reich | **START DATE | 07/01/85 |
|  | Georgetown University | **END DATE | 11/30/85 |
|  | Washington, DC 20007 | **APPROVED OR | 21,995.00 |
|  | CONG.DISTRICT: 00 | **FUNDED OR | 21,995.00 |
|  | TITLE: Encyclopedia of Bioethics |  |  |

ENCYCLOPEDIA OF BIOETHICS

This grant will permit the editorial staff of the Encyclopedia of Bioethics to begin the process of revising the work to reflect the current state of that rapidly evolving field. An Emergency Grant was deemed appropriate to capitalize on a June 1985 meeting of the previous and new associate editors (paid for by the publisher, MacMillan), after which immediate progress toward timely assessment of work necessary for revision could be initiated.

|  |  |  |  |
|---|---|---|---|
| (11) | RL-20973-85- -0-0 Grantee:INST/ORGANIZ | **APPROVED DATE: | 00/00 |
|  | Dr. David P. Silverman | **START DATE | 07/01/85 |
|  | University of Pennsylvania | **END DATE | 11/30/85 |
|  | Philadelphia, PA 19104 | **APPROVED OR | 1,800.00 |
|  | CONG.DISTRICT: 01 | **FUNDED OR | 1,800.00 |
|  | TITLE: The Religious Inscriptions in the Tomb of Khesu, the Elder in the Western Delta of Egypt. 3rd Millenium B.C. |  |  |

UNIVERSITY MUSEUM, UNIVERSITY OF PENNSYLVANIA

In 1984, a grant in the amount of $7,000 OR and $5,000 M was awarded to the University of Pennsylvania Museum (Dr. David Silverman), to support the translation, with commentary and index, of Egyptian Funerary Texts in the Western Delta, dating from the 3rd millenium B.C. The grantee has made excellent progress toward completion of his project; and volume I, the translation, is ready to be sent for publication, with financial support from the American Research Center in Cairo. The Center has offered also to give financial support to volume II, containing the analytical material, if Dr. Silverman can complete such material by the end of the summer. Since the original grant period ended in January of 1985 and a supplement would thus have been technically impossible, an emergency grant to support modest final editorial costs seemed well justified.

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| (12) | RT-20640-85- -0-0 Grantee:INST/ORGANIZ | **APPROVED DATE: | 00/00 |
|  | Professor Anne D. Shapiro | **START DATE | 09/01/85 |
|  | Harvard University | **END DATE | 08/31/86 |
|  | Cambridge, MA 02138 | **APPROVED OR | 22,203.00 |
|  | CONG.DISTRICT: 08 | **FUNDED OR | 22,203.00 |
|  | TITLE: A Research Tool for British-American Folk-Tune Classification |  |  |

HARVARD UNIVERSITY (ANNE DHU SHAPIRO)

This grant is to support preparation of a computer-aided classification of British-American folktunes to be published as a research tool for musicologists, folklorists, and interested laymen. Professor Shapiro is entering her last year as a member of the Harvard faculty, and a delay in funding in order to review this resubmission during the regular cycle would jeopardize her access to computer and other established support sources. The original application was disapproved at May Council. Working with staff, Professor Shapiro addressed defects cited in the first review; staff sought comment about the application from the original critical panelists, and staff and panelists now believe the resubmitted application is excellent.

(13) GL-20661-85- -0-0 Grantee:INST/ORGANIZ
Dr. Vartan Gregorian
American Library Association
Chicago, IL 60611
CONG.DISTRICT: 07
TITLE: IFLA Conference Plenary Program

**APPROVED DATE: 00/00
**START DATE 06/01/85
**END DATE 11/30/85
**APPROVED OR 15,000.00
**FUNDED OR 15,000.00

### Organizing Committee, International Federation of Library Associations and Institutions (American Library Association)

This Emergency Grant will support honoraria for speakers at the plenary session of the International Federation of Library Associations and Institutions (IFLA) conference in Chicago, August 18 to August 24, 1985. The grant will also support the publication of the speakers' papers and defray their travel expenses. The speakers will address the general theme of "Libraries and the Universal Availability of Information."

The nature of the emergency resides in two circumstances: the organizing committee for the conference had not been fully appointed and the participating scholars had not been selected in time to submit an application during regular deadlines for Humanities Projects in Libraries.

## FY 1986 Emergency Grants (To date)

(1) PS-20035-86- -0-0 Grantee: INST/ORGANIZ
Elizabeth Grant (Individual)

New Orleans, LA 70125
CONG. DISTRICT: 00
TITLE: Attendance at SOLINET Workshop on Preservation

**APPROVED DATE: 00/00
**START DATE 11/01/85
**END DATE 10/31/86
**APPROVED OR 680.00
**FUNDED OR 680.00

### ELIZABETH GRANT, XAVIER UNIVERSITY OF LOUISIANA

The award will cover expenses incurred by the catalog librarian of Xavier University in attending a workshop in preservation techniques offered under NEH auspices in Atlanta, November 18 and 19. The application does not meet the eligibility criteria for the Travel to Collections category since the need is for training rather than research. The request was made September 26th when only three vacancies at the workshop existed: hence the need for a decision before the November meeting of the National Council.

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(2) ES-21331-86- -0-0 Grantee: INST/ORGANIZ
Dr. John P. Roche
Tufts University
Medford, MA 02155
CONG. DISTRICT: 07
TITLE: A Conference on American Foreign Policy

**APPROVED DATE: 00/00
**START DATE 01/01/86
**END DATE 10/31/86
**APPROVED OR 15,000.00
**FUNDED OR 15,000.00

TUFTS UNIVERSITY

The grant provides support for a two-day conference, organized by John P. Roche, Acting Dean of the Fletcher School, for New England secondary school teachers. The topic of the conference is the historical development of American foreign policy, and scholars participating include faculty from the Fletcher School as well as from other New England institutions. Regular divisional deadlines preclude action on the proposal in time to support the conference during the summer of 1986; and the principal conference organizers, including Mr. Roche, will not be available after this coming summer. Furthermore, the proposal is a timely response to the Endowment's initiative "Understanding America." The aim of the conference is to provide expert consultation and study, principally for teachers of United States history.

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| (3) | EH-20586-86- -0-0 Grantee: INST/ORGANIZ | **APPROVED DATE: | 00/00 |
| | Mr. Theodore C. Achilles | **START DATE | 01/01/86 |
| | Atlantic Council of the United States | **END DATE | 09/30/86 |
| | Washington, DC 20006 | **APPROVED OR | 25,000.00 |
| | CONG. DISTRICT: 88 | **FUNDED OR | 25,000.00 |

TITLE: Political Education in a Democratic Society: Rights and Obligations

THE ATLANTIC COUNCIL

This emergency grant will support a Spring 1986 conference on "Political Education in a Democratic Society: Rights and Obligations" in which forty-four speakers and participants, twenty-two from the United States and an equal number from European nations, will study ways of stimulating greater educational emphasis on the heritage and values of western civilization. The three-day conference will take place at Airlie House, and its purpose will be to reassert the historical and civic principles that unite the nations in the NATO alliance.

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| (4) | GL-20699-86- -0-0 Grantee:INST/ORGANIZ | **APPROVED DATE: | 00/00 |
| | Mr. Richard E. Kirkwood | **START DATE | 02/01/86 |
| | Hollins College | **END DATE | 02/28/87 |
| | Hollins College, VA 24020 | **APPROVED OR | 30,000.00 |
| | CONG.DISTRICT: 06 | **FUNDED OR | 30,000.00 |
| | | **OBLIGATED | 30,000.00 |

TITLE: Replacement Texts in Humanities for Library

This Emergency Grant to Hollins College is to support the purchase of replacement texts and materials in the humanities for the college library. The nature of the emergency is that the college campus was innundated by floods last October and the need is for an immediate restoration and rebuilding of the library's humanities collections.

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| (5) | GM-23200-86- -0-0 Grantee:INST/ORGANIZ | **APPROVED DATE: | 00/00 |
| | Ms. Rowena Stewart | **START DATE | 12/01/85 |
| | Afro-American Historical & Cultural Museum | **END DATE | 09/30/86 |
| | Philadelphia, PA 19106 | **APPROVED OR | 25,000.00 |
| | CONG.DISTRICT: 03 | **FUNDED OR | 25,000.00 |
| | | **OBLIGATED | 25,000.00 |

TITLE: Photographic Exhibition of Urban Murals Painted Between 1967-1978

The grant supports an interpretive exhibition of urban murals painted between 1967-1978. Through an exhibition, written materials, and special public programs, the project will explore the genesis of the urban art movement, its creators, visual character, and iconography.

Emergency support was justified because the exhibition is tied to the first national commemoration of the birth of Martin Luther King, Jr. and there was insufficient time to prepare a standard application for the regular review cycle because a permanent museum director was not appointed until late summer.

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(6) GN-22764-86- -0-0 Grantee:INST/ORGANIZ
Mr. John S. Baker
Production Institute of America
Baton Rouge, LA 70808
CONG.DISTRICT: 06

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| **APPROVED DATE: | 00/00 |
| **START DATE | 02/01/86 |
| **END DATE | 09/30/86 |
| **APPROVED OR | 30,000.00 |
| **FUNDED OR | 30,000.00 |
| **OBLIGATED | 30,000.00 |

TITLE: Bicentennial Documentary

The grant provides support for planning a Bicentennial television documentary series, a television talk show series, and for two-to-five-minute radio programming slots about the Constitution. The nature of the emergency is that these productions would effectively have to be ready by 1987; and while Baker intends to submit production requests to the NEH Media Program, he needs planning funds to develop the respective projects. The project is a promising response to the Bicentennial initiative for media productions on the history of the drafting and ratification of the Constitution.

## QUESTIONS SUBMITTED BY SENATOR BUMPERS

Question: The budget justification indicates that in FY 1987 you expect to award 45 grants from approximately 160 applications in the Humanities Instruction in Elementary and Secondary Schools programs. Do you expect to be able to fund all excellent rated applications or will some in that category go unfunded?

Answer: At the level of funding that we are requesting for the Humanities Instruction in Elementary and Secondary Schools program, we expect to be able to fund all proposals rated "excellent" and the majority of those rated "very good."

Question: I'd like to know the same thing about the Summer Seminars for College Teachers. You indicate that you anticipate 180 applications for seminars and expect to fund 53 in FY 1987. Will some applications that are rated excellent not be funded?

Answer: The Endowment's budget request for FY 1987 allocates sufficient funds to the Summer Seminars for College Teachers program to make awards to all excellent-rated applications. In addition, we expect to support a number of applications that are slightly less than top-rated. We do not think it is wise to go much below this.

Question: The budget justification indicates that for FY 1987 the Summer Seminar Program for Secondary School Teachers will emphasize some currently underrepresented disciplines and geographic areas, including the Midwest and South. I am pleased to see that is one of your goals and I would be interested in how you plan to achieve adequate representation of the South in this program. In FY 1986, how many of the 50 Secondary School Seminars will be in the South? What are your goals for FY 1987?

Answer: NEH program staff have been actively publicizing the program in both the South and the Midwest. Through greater promotion, we hope to encourage more applications from college teachers at schools in the target areas. In FY 1986, six summer seminars for secondary school teachers will be held at institutions in the South. In FY 1987, we hope that our efforts to publicize the program will yield more high quality proposals to direct seminars from teachers in southern states.

It should be noted that secondary school teachers from across the nation may apply to participate in seminars of their choosing regardless of where they are being held. In the summer of 1985, for example, 116 teachers from southern states attended summer seminars all over the country.

Question: How are you making schools and colleges aware of the "Understanding America" and "Understanding Other Nations" initiatives?

Answer: When we announced these initiatives last October we issued a press release and provided notice to appropriate educational and scholarly organizations. Articles about the initiatives have since appeared the following publications:

National press:
- U.S. News & World Report
- Christian Science Monitor
- Newspapers on the Associated Press wire

Educational press:
- Chronicle of Higher Education
- Education Daily
- Education Week
- School Board News
- Higher Education Week

In addition, news of the initiatives has appeared in the newsletters and journals of the following educational, scholarly, and professional organizations:

- Modern Language Association
- American Council on the Teaching of Foreign Languages
- National Council on Foreign Language and International Studies
- American Historical Association
- Organization of American Historians
- American Association for State and Local History
- National Council of Teachers of English
- American Political Science Association
- Council for Basic Education
- Consortium of Social Science Associations

NEH staff have also played an active role in disseminating information about the initiatives by making presentations at national meetings of educational and scholarly associations.

## SUBCOMMITTEE RECESS

Senator McClure. The subcommittee will stand in recess until 2 p.m. on March 18, at which time we will hear from the Members of Congress and from the Secretary of the Interior.

Thank you, again.

[Whereupon, at 3:20 p.m., Thursday, March 13, the subcommittee was recessed, to reconvene at 2 p.m., Tuesday, March 18.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1987

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TUESDAY, MARCH 18, 1986

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, DC.*

The subcommittee met at 2:05 p.m., in room SD–138, Dirksen Senate Office Building, Hon. Dennis DeConcini presiding.

Present: Senators McClure, Stevens, Andrews, and DeConcini.

## CONGRESSIONAL WITNESSES

### STATEMENT OF HON. DAVE DURENBERGER, U.S. SENATOR FROM MINNESOTA

#### OPENING REMARKS

Senator DECONCINI. The subcommittee will come to order.

Senator McClure is unavailable to be here to open up the meeting and has authorized me to act as temporary chairman.

This is the time scheduled to hear from congressional witnesses to discuss their priorities for fiscal year 1987. Because of the number of requests we have had from Members, we have scheduled you for 10 minute increments beginning at 2 p.m. Please limit your remarks to about 5 minutes. Senator Durenberger can have just as long as he wants because he has been so generous to me in his committee on several occasions dealing with water legislation.

Senator Durenberger, we are glad to have you here, and you may proceed.

Senator DURENBERGER. Thank you very much, Mr. Chairman. I am here on the annual trek to express my appreciation to you and to the members of the subcommittee for the assistance that you have given the people of this country with regard to natural resource projects that are located in the State of Minnesota.

We are very encouraged with the progress made last year and are hopeful that the momentum that has been building over the last several years to complete projects for which the National Government has made commitments on behalf of the people of this country will not be lost in this new era of deficit reduction.

I recognize, obviously, that funds must be prioritized as never before, but I am also very comfortable with the fact that we have been doing that with regard to projects located in the State of Minnesota ever since I came to the Senate in 1979.

## PREPARED STATEMENT

Mr. Chairman, I have prepared a longer statement, which I would ask be included in the record at this point and will quickly summarize my 1987 recommendations.

[The statement follows:]

## STATEMENT OF SENATOR DAVE DURENBERGER

Thank you, Mr. Chairman. I appreciate your generosity in allowing me a few minutes to outline the funding requests for several important Minnesota projects.

First, I want to express my thanks, and those of the people of Minnesota, for the projects you funded last year. We are very excited about the progress that has been made to date and are eager to sustain our momentum.

**Minnesota Valley National Wildlife Refuge.**

Minnesota Valley National Wildlife Refuge, situated in the Minneapolis-St. Paul metropolitan area, offers local citizens a wide range of educational and recreational opportunities while providing sanctuary to a large number of migratory waterfowl, fish, and other wildlife. The Refuge is currently home to a pair of bald eagles.

$24.9 million for land acquisition and $9.8 million for the visitor's center was authorized by P.L. 94-466 as amended by P.L. 98-327. To date $9.5 million for land aquisition and $600,000 in planning funds for the visitor's center has been appropriated. Much of the $2 million in land acquisition funds made available for 1986 have already been spent and there appears to be enough willing sellers to quickly utilize the remaining funds and more. Since some of the larger ownerships remain to be purchased, I am requesting a FY87 appropriation of $3 million for land acquistion.

With the FY86 planning funds, design for the visitor's center is scheduled to be completed by January 1, 1987. Preliminary work on utilities, access roads, major landscaping and Interstate Highway Directional signing is completed. In short, the site is ready for construction to begin and I am requesting $6 million for FY87 to do this.

**Voyageurs National Park.**

Voyageurs National Park, authorized under P.L. 94-466 as amended by P.L. 98-327, is Minnesota's only national park. We have made great progress in the development of the park. Last August we held the groundbreaking ceremony for the visitor center at Black Bay and we anticpate construction to move ahead.

This Subcommittee is familiar with the condition of the Kettle Falls Hotel and its importance as a historical landmark and resource to the Park and to northern Minnesota. It is listed on the National Register of Historic Places. For many years it was a gathering place for loggers and more recently for anglers and tourists. With an FY86 appropriation of $2.165, restoration has begun, and $1.9 million is needed in FY87 to complete the project.

**Grand Portage National Monument.**

Grand Portage National Monument, authorized by P.L.85-910, is a place of very great historical significance. It is one of the premier historical sites in North America for the interpretation of fur trade history.

There is a great need for a new interpretive, administrative, maintenance complex for the monument. The interpretive facilities are woefully inadequate. The present administrative headquarters for the monument are located in Grand Marais, some 37 miles to the west. This makes the administration and supervision of the monument very difficult.

Supporters of the project were very excited when $275,000 in planning funds were made available in FY86. This represents a giant step forward for the project, and $3 million in construction funds are needed in FY87 to finish it.

**Boundary Waters Canoe Area Wilderness.**

Mr. Chairman, the support you and the committee have given to the Boundary Waters Canoe Area Wilderness throughout the years has been appreciated both by this Senator, and the residents of northern Minnesota. I am extremely pleased that the Administration has included $2.022 million in their FY87 Budget request for the State Grant Program authorized under P.L. 95-495. The State has consistently used this money well and I ask that the Subcommittee support the Administration's proposal.

**Cooperative Fish and Wildlife Research Unit.**

Although in 1980 Minnesota ranked 4th among the states in fishing license and 8th in hunting license sales, and fish, wildlife and their habitates form the basis of a major recreation and tourism industry in the state, Minnesota does not have a Cooperative Research Unit. While the University of Minnesota, the Minnesota Department of Natural Resources and other groups and individuals have a solid record of achievement in fishery or wildlife research, education or management, the vastness of Minnesota's resource makes it difficult to accomplish all that needs to be done.

Currently there are 29 states with fish, wildlife or combined cooperative research units. The University of Minnesota and the Department of Natural Resources have put together a program direction statement for a unit in Minnesota. I would ask the Subcommittee to review this proposal, and if it has merit, fund it out of available funds in FY87.

**Cooperative Forestry Assistance Program.**

The Cooperative Forestry Assistance Program is important to the State of Minnesota. The President's budget proposes a 50% reduction for FY86 levels. A decline of this magnitude may cause the elimination of private landowner assistance activities in many states, and certainly have adverse consequences for some 120,000 private forestland owners in Minnesota.

I appreciate this opportunity to discuss these issues, and look forward to working with you on these projects. Thank you.

## PROGRAM DIRECTION STATEMENT

### Minnesota Cooperative Fish and Wildlife Research Unit

The Cooperative Fishery and Wildlife Units Program was established to facilitate cooperation between the Service, universities, State fish and wildlife agencies and private organizations, and to conduct programs of research and education related to fish and wildlife resource management. The objectives of the Units are to: 1) conduct research directed toward the solution of problems of mutual concern related to fish, wildlife and their habitats; 2) provide academic training toward advanced degrees in the fish and wildlife field; 3) provide technical assistance to federal, state, and other conservation agencies related to fish and wildlife management; 4) provide conservation education through publication, lecture and demonstration. The operations of the Unit are governed by a formal Cooperative Agreement signed by the Service, university, state fish and wildlife agency, and the Wildlife Management Institute.

The Minnesota Unit will emphasize research regarding impacts of human activities on aquatic and terrestrial ecosystems which are of state, regional and national significance. The research program will address not only the biological, but also social and economic aspects of both game and nongame fisheries and wildlife management; hence, the Unit will be in the most advantageous position to provide information for strategic and long-range planning by the Minnesota Department of Natural Resources and U.S. Fish and Wildlife Service.

Minnesota has a vast fishery and wildlife resource and occupies a geographic area that contains aquatic and terrestrial habitats associated with some of the most important regional and national fishery and wildlife research needs. The state is biogeographically unique, with boreal forest, northern coniferous forest, transition zone and prairie, all of which are, in one way or another, under increasing or changing pressures from human activities. Minnesota is an ideal model for research on effects of these activities on fish and wildlife because the vastness of the resource and variation in habitats within regions provide an unusually large selection of research sites for comparative studies.

Biological studies will involve a wide range of applied and basic research projects designed to mitigate or enhance fish and wildlife in habitats with the potential for severe degradation, heavy use, or offering considerable possibilities for enhancement. These habitats include but are not limited to urban fisheries, agricultural lands, peatlands, and the agriculture-forest transition zone where land-use changes are accelerating with human expansion in the area . All of these problem areas in Minnesota are representative of similar concerns regionally and nationally.

The great surge in public interest in nongame species in recent years across the nation constitutes both a challenge and opportunity for resource management agencies and teaching and research institutions. The public now expects agencies to carry out programs specifically for nongame species. As a result, it is opportune and appropriate to have the Unit involved in nongame research.

There is a growing need to incorporate sociological and economic information into fish and wildlife management programs. Public user attitudes, expectations and needs are becoming increasingly important in the formulation of management programs and priorities. Likewise, reliable information on the economic importance of fish and wildlife is becoming an essential ingredient for enlightened planning to help insure that the value of these resources is adequately considered in the formulation of public policy. This is particularly relevant to circumstances in Minnesota where a significant part of the tourist and recreation industry is fish and wildlife oriented. Because public acceptance of fisheries and wildlife management programs is frequently an obstacle to successful implementation, a primary focus of the research will be to examine the economic and social ramifications of proposed management programs and to compare alternatives. This integration of ecological, social and economic research is crucial for decision making regarding fisheries and wildlife policy and planning and yet there are few researchers addressing this issue. The Unit is expected to become a "Center for Excellence" for this integrated research and thereby serve the state and nation as a source of information for public agencies in their development and implementation of fisheries and wildlife management plans.

Senator DURENBERGER. First on our list of priorities is the Minnesota Valley National Wildlife Refuge. Minnesota Valley is a special place in one of the world's most unique metropolitan, multiriver valleys. Not only does it provide outstanding educational and recreational opportunities for Americans, but it protects migratory waterfowl, fish, and other wildlife.

Much of the $2 million in land acquisition funds made available in fiscal year 1986 for this project have already been spent, and there appear to be enough willing sellers to quickly utilize the remaining funds and more.

Since some of the larger ownerships remain to be purchased, I am requesting a fiscal year 1987 appropriation of $3 million for land acquisition.

With the fiscal year 1986 planning funds, design for the visitor's center, which is such an important part of the refuge, will be completed by January 1, 1987. Preliminary work on utilities, access roads, major landscaping, and highway directional signing is already completed. In short, the site is ready for construction to begin, and I am requesting $6 million for fiscal year 1987 to construct the visitor's center.

I would also encourage you, Mr. Chairman, if you have not already done so, to stop by the refuge on your way to visit relatives in Minnesota. The chairman of this subommittee, on his way to Idaho, can only get to Idaho conveniently through Minnesota. Minnesota Valley Wildlife Refuge is right next to the airport, and perhaps I can meet him there some time and personally escort him through the refuge.

Mr. Chairman, you have also heard stories about the rolling floors of the Kettle Falls Hotel. We are excited that with a fiscal year 1986 appropriation of $2.1 million restoration of this historical international landmark will begin this spring. An additional $1.9 million is needed in fiscal year 1987 to complete the renovation project.

I would also appreciate your consideration of the need for a visitor complex at the Grand Portage National Monument, one of the northernmost national monuments in this Nation.

Also the establishment of a cooperative research center at the University of Minnesota.

We certainly endorse the administration's inclusion of a little over $2 million for the Boundary Waters Canoe Area [BWCA] as part of a multiyear appropriation for the BWCA.

And I recommend the restoration to fiscal year 1986 level of the funds provided for the Cooperative Forestry Assistance Program.

Again, Mr. Chairman, I thank you for giving me this opportunity this afternoon. I look forward to working with you and the members of the subcommittee on these vital natural resource issues.

Senator DECONCINI. Senator Durenberger, thank you very much. As usual, you make a very convincing case for the need to finish these projects. On behalf of your State, I have visited the Minnesota Valley National Wildlife Refuge; the other ones I have not.

Regarding that refuge, you indicate that you are requesting $3 million for land acquisition. How much land will be acquired if that amount were appropriated?

Senator DURENBERGER. I have no idea.

Senator DECONCINI. I guess my real question is, is that going to be sufficient or will it be ongoing year after year?

Senator DURENBERGER. This is part of an acquisition program that is stretched out over some period of time.

Senator DECONCINI. In other words, would you be looking for an additional amount in 1988?

Senator DURENBERGER. I think the total acquisition cost was estimated a couple of years ago to be $14 million. So we are not yet halfway there.

Senator DECONCINI. Was the $2 million that we appropriated last year the first million?

Senator DURENBERGER. I think so.

Senator DECONCINI. Obviously the price of the land is going up everytime we put it off.

Senator DURENBERGER. It would certainly be good if we had had the $14 million in the beginning or if when the project was started, which I think was about 8 years ago, we had had the approximately $6.3 million that was then required to acquire the land. It is in the heart of the cities, and as you know from visiting it, there is city on all sides of the Minnesota Valley Refuge.

Senator DECONCINI. It is a beautiful site, and I think it is a national asset as well as a benefit to the Twin Cities.

I have no questions, Senator Durenberger. Thank you for your testimony. The subcommittee, under the able chairmanship of Senator McClure, will give it careful consideration, I can assure you.

Senator DURENBERGER. Thank you very much, Mr. Chairman.

## STATEMENT OF HON. CLAUDINE SCHNEIDER, U.S. REPRESENTATIVE FROM RHODE ISLAND

Senator DECONCINI. Next we will hear from Congresswoman Schneider.

Mrs. SCHNEIDER. I appreciate the opportunity to appear before you, Mr. Chairman, and to share with you some of my insights regarding the Department of Energy's fiscal year 1987 conservation budget.

As a member of the House Subcommittee on Energy Development Applications, which authorizes DOE's conservation budget, I am very much disturbed by DOE's proposals to eliminate two-thirds of the Federal energy efficiency R&D programs and to completely eliminate the State and local energy conservation programs.

These proposals come fast upon the expiration of the conservation tax credits, and this means that out of the roughly $40 to $50 billion that we spend a year in Federal tax and budget energy subsidies energy efficiency will receive a mere $70 million.

Clearly, the Federal Government is distorting the marketplace. Such actions, as far as I am concerned, are not at all consistent with the Department of Energy's national energy policy plan that calls for energy efficiency as a cornerstone of the Federal energy policy.

As you know, energy efficiency right now provides one-fifth of U.S. energy services and it has saved the American economy $150 billion a year in energy savings. These efficiency measures are really the key reason for the collapse of OPEC's power and world oil prices, and if we hadn't had these energy efficiency improvements, the question is, well, then what?

Well, if we hadn't had these energy efficient improvements the United States would right now be importing four times as much oil as it does; oil prices would still be very high; OPEC would still be in control; inflation rates would be high; the trade deficit would be horrendous; and the United States and its allies would be extremely vulnerable to any Mideast oil disruptions.

In light of the efficiencies, incredible success in improving economic productivity and enhancing national security, it is hard to fathom why DOE's zealous budget cutting is taking place. I think it is not because this Nation has run out of efficiency investment opportunities. The United States right now continues to consume as much as 75 percent more energy per unit of gross national product [GNP] than our foreign competitors, such as Japan and France. And according to both Government and independent analyses, cost-effective efficiency investments could trim an additional $150 billion per year off of our annual energy bill.

I think it is important to recognize that the oil price hikes in the 1970's were really what spawned the whole fuel saving efficiency improvements and now in the 1980's we are witnessing the solid-state electronic advancements that are spawning an enormous pool of electricity saving opportunities that deliver electricity services at 2 to 10 times cheaper than building new powerplants, not to mention how capital-intensive new powerplants are.

So the savings that are available in the U.S. manufacturing and industrial facilities, where electricity represents 40 percent of their total energy consumption, can certainly be very significant.

The report that was completed by the American Council for an Energy Efficient Economy points out that the United States is receding from Federal support for energy efficiency R&D while our foreign trade competitors are maintaining or increasing their R&D efforts. The United States ranks fifth right now after Japan, the United Kingdom, France, and Germany.

### PREPARED STATEMENT

Mr. Chairman, I would like to request that the report that I just cited be included in the record along with my written testimony, if I may.

Senator DECONCINI. Without objection, it will be included in the record.

[The statement follows:]

## STATEMENT OF REPRESENTATIVE CLAUDINE SCHNEIDER

Mr. Chairman, Thank you for the opportunity to speak to the Subcommittee this afternoon regarding the Department of Energy's Fiscal Year 1987 Conservation budget. As a member of the House Subcommittee on Energy Development and Applications, which authorizes DOE's conservation budget, I am deeply disturbed by DOE's proposal to eliminate two-thirds of federal energy efficiency R&D programs, and completely eliminate the state and local energy conservation programs.

These proposals come fast upon the expiration of the conservation tax credits. This means that out of the roughly $40 to $50 billion per year in federal tax and budget energy subsidies, energy efficiency will receive a mere $70 million. Clearly the federal government is distorting the marketplace. Such actions are not consistent with DOE's National Energy Policy Plan that calls for efficiency as a cornerstone of federal energy policy.

As you may know, energy efficiency now provides one-fifth of U.S. energy services (based on improvements since the 1973 Arab oil embargo). These investments in raising the efficiency of millions of buildings, vehicles, appliances, commercial equipment and manufacturing processes have saved the American economy $150 billion per year in energy savings by requiring 25% less energy to produce a dollar of Gross National Product.

Efficiency measures have also displaced the equivalent of 13 million barrels of oil per day -- three times today's foreign oil imports. They are the key reason for the collapse of OPEC's power and world oil prices. If we hadn't had these energy efficiency improvements, then what? Well, the U.S. would be importing four times as much oil as it does; oil prices would still be very high, OPEC would still be in control, inflation rates would be high, the trade deficit would be horrendous, and the U.S. and its allies would be extremely vulnerable to any Mid-East oil disruption.

In light of efficiency's incredible success in improving economic productivity and enhancing national security it is hard to fathom DOE's zealous budget cutting of these programs in a proposed budget that increases $600 million to $12.8 billion!

Clearly it is not because this nation has run out of efficiency investment opportunities. The U.S. continues to consume as much as 75% more energy per unit of GNP than foreign competitors such as Japan and France. According to both government and independent analyses, cost-effective efficiency investments could trim an additional $150 billion per year off of the nation's nearly half trillion dollar annual energy bill.

This proves to be the case in spite of the collapse in world oil prices. Most notably because oil prices are largely decoupled from electricity prices. As the attached chart shows, oil fuel expenses represent only 2.7% of the total price of electricity. Non-fuel expenses, mainly capital, constitute fully 75% of the price of electricity. Even if the average cost of oil to utilities were to drop 50%, the average retail price per kilowatt-hour would decline by only about 1/10th of a cent. The savings are insignificant in comparison to the rate shock caused by electricity prices from newly completed nuclear powerplants coming in at two to four times today's national average price of 7¢/kwh.

It's important to recognize that the oil price hikes in the 1970s primarily spawned fuel-saving efficiency improvements. Now, in the 1980s, we are witnessing solid state electronic advancements spawning an enormous pool of electricity-saving opportunities that "deliver" electricity services at two to ten times cheaper than building powerplants.

Take U.S. buildings, for example, which consume $100 billion per year in electricity--representing three-fourths of electric industry revenues. Efficiency investments with relatively fast paybacks can save $50 billion of that sum. Comparable percentage savings are available in U.S. manufacturing and industrial facilities, where electricity represents 40% of their total energy consumption.

Some of these savings will be secured as a result of past federal energy efficiency R&D programs. According to a recent report by the American Council for an Energy Efficient Economy and the Energy Conservation Coalition, the taxpayers have been handsomely rewarded for their investment in this research. In seven case studies, $16 million of R&D will save U.S. consumers $68 billion over the next 25 years.

The report also points out that the U.S. is receding from federal support for energy efficiency R&D while our foreign trade competitors are maintaining or increasing their R&D efforts. The U.S. ranks fifth in funding levels behind the U.K., France, Japan and Germany. Mr. Chairman I would like to request that the ACEEE report be submitted in the record along with my written testimony.

This failure to maintain adequate federal funding for efficiency R&D is a very serious problem. As the President's Commission on Industrial Competitiveness noted in its 1985 report, Global Competition: The New Reality, the U.S. has lost not only large market shares in the auto, steel, rubber and primary metal industries, but has also lost shares in seven of the 10 high technology markets; and energy efficiency products are among these fast-growing high technology markets.

One electricity-consuming product after another is being totally renovated with high technology design improvements and solid state electronic devices. Japan, the leader, is about to extend its assault on U.S. manufacturers of motors, lighting systems, heat pumps, air conditioners, photovoltaics, and industrial processes, just as Japan captured a major segment of the U.S. auto market with high efficiency models.

To protect U.S. domestic markets and improve our global competitive position, we should be pursuing national energy policies that help to cut in half the 12% of GNP that pays for energy.

Federal energy efficiency R&D also contributes to underlying policy goals of a lower budget deficit. A burgeoning natonal debt means higher interest rates, which threaten to stifle economic growth by competing with the private sector for available capital.

But the federal deficit is not the only drain on investment capital. Although the U.S. energy sector accounts for about 12% of GNP, it represented 40% of total investment in plant and equipment expenditures, for all sectors, in 1982. Increased efficiency, several times cheaper than traditional supply, can make a significant contribution to the objective of increased capital availability and lower inflation rates that are underlying goals of the Gramm-Rudman legislation.

Hundreds of billions of dollars of capital would be freed-up for spurring non-energy business expansion and job creation, and for repairing America's deteriorating infrastructure of bridges, roads, sewers and waterlines.

The second point to be made about the oil price collapse is one of national security importance. There is no assurance the oil price collapse will sustain itself. The U.S. Energy Information Administration projects substantial increases in oil imports in the 1990s as a result of declining U.S. oil reserves.

It is noteworthy that between 1979 and 1984 the U.S. oil industry invested $250 billion in oil exploration alone, without achieving a net increase in U.S. reserves at the end of the five years. Imagine what benefits we could have reaped if that $250 billion had been invested in energy efficiency measures.

Because OPEC controls two-thirds of the world's cheap oil reserves, in the absence of further fuel-saving efficiency improvements we will be back to a very vulnerable situation in the 1990s with high levels of foreign imports.

Obviously the cheapest insurance against such a crisis is to encourage cost-effective efficiency investments. This includes overcoming a variety of technical and informational barriers to greater efficiency use through the continuation of a modestly funded federal energy efficiency R&D program and state and local assistance programs.

As such, Mr. Chairman, I urge you and the committee to strongly support a freeze of DOE's conservation programs at the 1986 levels. These programs have already suffered a 50% reduction over the past five years, contributing more than their fair share to balance the budget. To reduce them further is to undermine their effectiveness and jeodpardize the energy savings that can continue to strengthen national security and enhance economic productivity.

I would especially appreciate your support for the Least-Cost Energy Planning Initiative within the conservation budget. This is a three-year, $4 million technology transfer program authorized by the House Science and Technology Committee last year.

This modest program, which has broad-based support from the National Association of Regulatory Utility Commissioners, the American Gas Association, the American Public Power Association, the Edison Electric Institute, and the National Association of State Utility Consumer Advocates, would return the benefits of taxpayer-funded research to U.S. utilities and ratepayers.

The essence of the technology transfer program is to provide information on the full range of energy efficiency technologies to utilities.

That concludes my testimony, thank you very much.

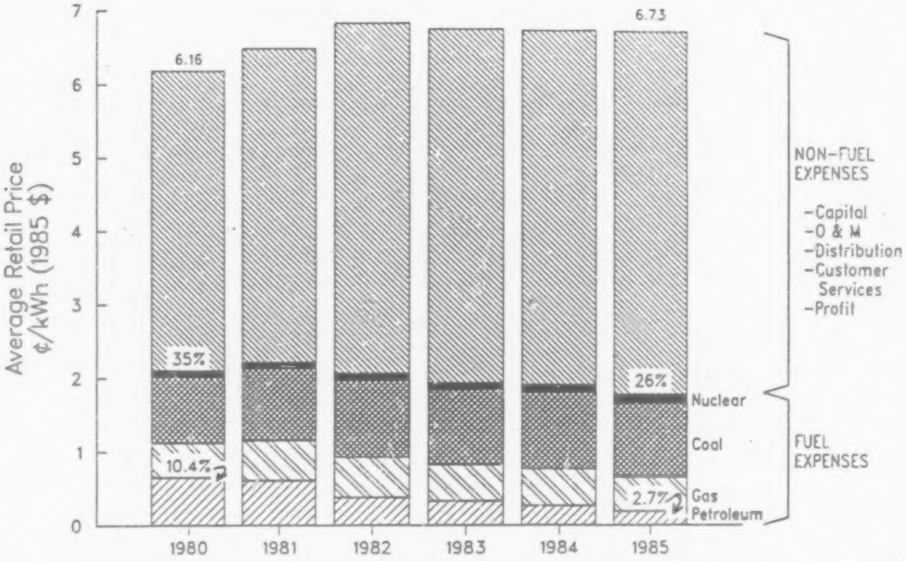

Figure 2. Fuel expenses as a component of the average U.S. retail price of electricity (in constant 1985 $), 1980 to 1985. Note that in real dollars, the average electricity price per kilowatt-hour (to all sectors) has changed little in six years, while the fuel component has declined from 35 percent to 26 percent. Non-fuel expenses, especially capital costs of new powerplants, have offset lower fuel costs. Oil costs have dropped even more dramatically, from 10 percent in 1980 to less than 3 percent in 1985. Even if the average cost of oil to utilities were to drop 50 percent, the average retail price per kWh would decline by only about 1/10 of a cent. Other cost increases would quickly offset any such decline.

# FEDERAL R&D ON ENERGY EFFICIENCY
# A $50 BILLION CONTRIBUTION TO THE U.S. ECONOMY

## A White Paper on the Consequences of Proposed FY 1987 Budget Cuts

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## PART A: BENEFITS OF THE FEDERAL R&D PROGRAM

### Executive Summary

The Administration's 1987 budget proposes to cut federal energy conservation research and development by 60 %, on top of previous budget reductions totaling nearly 50 % since 1980. The U.S. already spends far less on conservation R&D per unit of energy consumption than most industrialized countries. Further cuts, if implemented, would weaken our national security, cost U.S. consumers billions of dollars in excess energy costs each year--even with lower oil prices--and run counter to the Administration's stated goal of reducing the national deficit. Part A of this White Paper explains the compelling economic and security reasons for maintaining federal energy conservation R&D at least at current funding levels:

- There is a **broad national consensus on the need to increase energy productivity** in all sectors. Improved energy efficiency will reduce the multi-billion dollar annual drain on our economy, buy us the time to diversify our long-term energy options, and mitigate a number of our most pressing environmental problems.
- We have **already made huge gains** in reducing energy use per dollar of GNP. If today's economy still operated at the wasteful level of 1973, we would be **importing four times as much oil** and spending an **extra $150 billion per year** for energy.
- The U.S. economy can **still achieve large, cost-effective improvements in energy efficiency**. In addition to the gains of the past decade, energy efficiency can still **increase at least 30 percent** across all sectors of the economy.
- **Federal R&D programs have played an important role** in bringing about these savings, and **can contribute even more** in the future. The case studies in Part B show how federal support for energy conservation R&D, by advancing the commercial adoption of new technology, saves billions of dollars for industry and consumers. For these seven case studies (see **Table A.1**), federal investments totaling $16 million generate eventual savings of $68 **billion—a return on the taxpayers' investment of 4400 to 1**!
- Continued advances in energy-saving technology can play a key role in **assuring the competitiveness of U.S. industry** in the world market. Experience shows that well-conceived federal R&D can reinforce private industry initiatives. Conversely, a federal retreat may open the way for aggressive firms overseas—often with their own governments' backing—to gain the edge in both U.S. and world markets.
- The **federal government has a vital role** in carrying out energy conservation research, development, and technology-transfer. Without active federal participation, important technological advances would often be hampered by industry fragmentation, market structure, or the non-capturable ("public good") nature of basic research. Both U.S. industries and consumers benefit directly from energy conservation R&D, but if the federal government withdraws, the private sector cannot take up all the slack.
- Federal energy conservation R&D **contributes significantly to the underlying policy objectives of the Gramm-Rudman-Hollings legislation**: the easing of pressure on capital markets, in order to free up funds for productive investments. Disproportionate cuts in these programs would thus undermine the aims of our national economic policy.

These views are strongly supported by the recent report on Long-Range Energy R&D Strategy, prepared by the Demand Subpanel of DOE's Energy Research Advisory Board. [ERAB, 1986] The next sections examine each of the above points in more detail. Then, in Part B, we present a series of case studies of the enormous payoff from R&D on buildings-sector energy technologies.

### 1. Increased Energy Efficiency is an Important National Goal

Over the past decade, Americans have developed a broad consensus on the goal of improving energy productivity throughout the economy. Both the current and previous Administrations and the Congressional leadership of both Parties have properly emphasized energy efficiency as a cornerstone of our national energy policy.

Perhaps less well-known is the enormous progress made to date. Where would we be today without the significant changes in energy efficiency achieved over the past decade?

**Figure 1** provides a broad perspective. If energy use per unit of GNP were the same in 1984 as it was in 1973, the U.S. would be spending 35 percent more for energy--an **extra $150 billion per year**. Slower growth in energy demand has meant a savings of 13 million barrels/day (oil equivalent) in our current needs for oil and gas, representing nearly **three times our total U.S. oil imports**.

Had we not made these substantial gains in energy productivity, our present energy situation would look radically different. We would be facing $150 billion per year in extra energy costs, and additional oil imports of 13 million barrels/day. In consequence, our trade deficit problems would be even more severe. Oil prices would still be high, since this extra U.S. demand would maintain the pressure on world supply at the margin. OPEC would still play a dominant role; our major sources of energy supply would be far more vulnerable--as would our strategic position in the Middle East. The economy would continue to suffer from high prices of energy-intensive goods and services. Finally, the public would be clamoring for solutions to all of these problems, in an atmosphere of even more severe budget imbalance.

Since energy demand growth has been reduced, the present U.S. energy situation is manageable, at least for the near future. Clearly, market forces have played a major role: slower economic growth has helped to dampen energy demand and higher energy prices have discouraged many wasteful practices by industry and consumers. A substantial contribution, according to DOE-sponsored studies, has also come from increased technical efficiency in homes, automobiles, and factories—partly in response to price signals but also reinforced by government policies and programs. For example, increased fuel economy of cars and light trucks, compared to 1972 levels, saved an estimated 3.1 quads[1] of fuel in 1984, worth over $18 billion to consumers. [DOE/OPPA, 1985]

The good news is that we do not face an energy crisis today. The bad news is that, faced with a short-term oil glut, we run the risk of ignoring the future consequences of a finite supply of world oil reserves. How effectively will we use the "breathing room" we have earned? And, in the meantime, how long must we continue to pay for the wasteful patterns of energy use that are built into the existing capital stock?

## 2. Large Increases in Energy Efficiency Can Still be Achieved

The lower rate of energy demand growth that has occurred since 1973 (Figure 1) might suggest that most of the waste has been squeezed out of the U.S. economy. This is not the case. To date, much of the reduction in demand growth has resulted from belt-tightening and changes in wasteful patterns of behavior. Only a portion of the savings have come from investments in improved, energy-efficient technology.

Numerous studies suggest that, in addition to the gains already made, the U.S. could reduce its present annual energy bill from $430 billion to $300 billion or less, by adopting only those efficiency measures that are now available and economically justified. [SERI, 1981; Texas PUC, 1986; Meier et al., 1983] Most of the U.S. stock of energy-using equipment and buildings was put in place when energy prices were low, and stock turnover is slow in many sectors. So it is not surprising that much of the existing physical plant wastes energy.

It is important to note that these opportunities for cost-effective energy savings are **not affected much by the recent decline in world oil prices.**[2] This is especially true

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[1] 1 quad = $10^{15}$ Btu; total U.S. primary energy use is about 74 quads.

[2] Overall conclusions from the studies cited would change very little if they were updated to 1986 conditions. Oil prices would be lower in the near-term, but gas and electricity price assumptions in the studies are still valid. Also, several energy-saving technologies not previously considered are now commercially available.

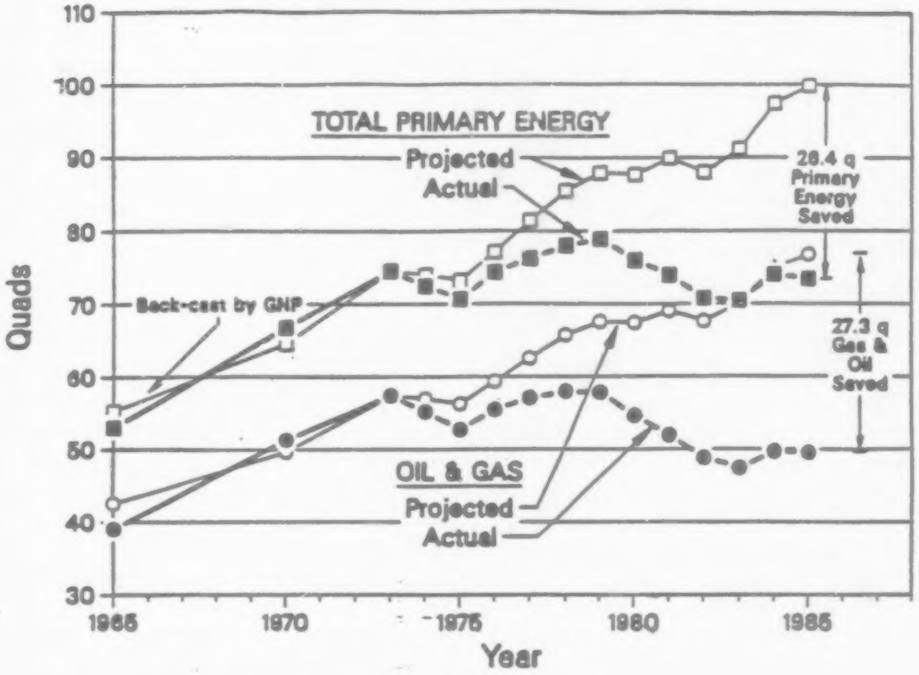


Figure 1. **U.S. Energy Use, Actual and Projected by GNP.**
**Projected energy calculated based on GNP, in constant $, with both forecast and back-cast values from 1973. Note how well GNP back-cast follows the actual consumption curve before OPEC. The 74 q used in 1984 cost end-users $430 B. Source: Monthly Energy Review published December 1985 and EIA Annual Report to Congress.**

for the buildings sector, which is increasingly electricity-intensive (in 1984, U.S. buildings consumed $100 billion of electricity but only $65 billion of oil and gas). Nationally, retail electricity prices are quite insensitive to changes in the cost of oil (or natural gas). This point is illustrated in **Figure 2**, which shows powerplant fuel costs, in constant dollars, as a fraction of the average U.S. retail electricity price, to all sectors, from 1980 through 1985.

Figure 2 shows that, while the overall cost per kilowatt-hour has changed very little in the past six years in real dollars (after inflation), fuel costs actually declined from 35 percent of the total to 26 percent. This decline was roughly offset by increases in other utility expenses, notably the rapid rise in capital costs for new powerplants entering utility rate-bases. Oil costs for electricity generation have declined even more dramatically than total fuel costs, largely due to fuel-shifting and replacement of older oil-fired plants. **Oil now represents, on average, less than 3 percent of the total retail price of electricity**, or about 2/10 of a cent per kilowatt-hour. Thus, even if the *average* oil price paid by electric utilities—not just the well publicized spot-market price—were cut in half, there would be almost no noticeable effect on the average price of electricity paid by U.S. consumers.

There are still important gains to be made in the fuel efficiency of buildings and equipment, but in the future, energy conservation R&D for the buildings sector will increasingly emphasize more efficient use of electricity, including the shifting of loads from peak to off-peak periods. As we have seen, the economic value of these electricity conservation and load-shaping measures will not be affected significantly by oil price changes, regardless of their magnitude.

How does today's energy use in the U.S. compare with that of other industrialized countries? The answer is that, per unit of GNP, we still use as much as 75 percent more energy than some of our major trading partners—and competitors. Japan and France, for example, each spend about 6 to 7 percent of their gross national product on energy, compared with 11.2 percent for the U.S. [IEA, 1985]

A key issue for the 1990's is whether capital investment in *new* facilities and equipment is as energy-efficient as it could be, in light of current energy prices and technology. The short answer is no; on average, today's new capital investments are still far from optimal. A typical new building, which will be in use for the next 50 to 75 years, still requires almost twice as much energy as one designed and equipped to minimize the total costs of energy, construction, and operation. [Piette et al., 1986]

Energy efficiency of the average new household appliance is also well below that of the best unit available--and even farther below the level of performance that is technically achievable and economic. **Figures 3a** and **3b** show these relationships for energy use in 1985 by: (1) the average gas and electric appliance in all U.S. households, (2) the average new appliance purchased, (3) the most efficient unit available on the market, and (4) an estimate of the best unit that could be made available to consumers in the mid-1990's. The Figures show that, in many cases, today's **best** product is already 30-40 percent more efficient than the average new unit purchased. Within a few years, industry leaders could be marketing household appliances that reduce energy use by another 40-50 percent.

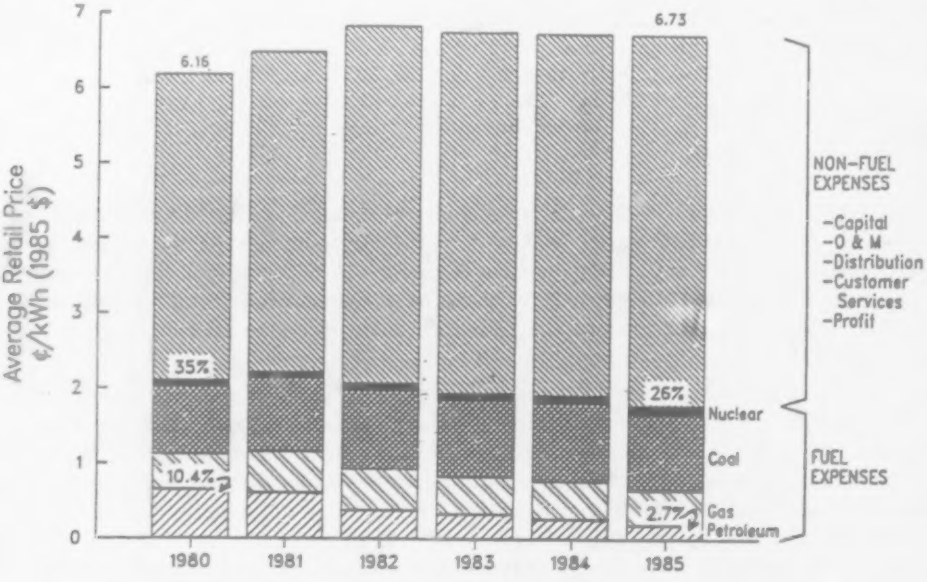
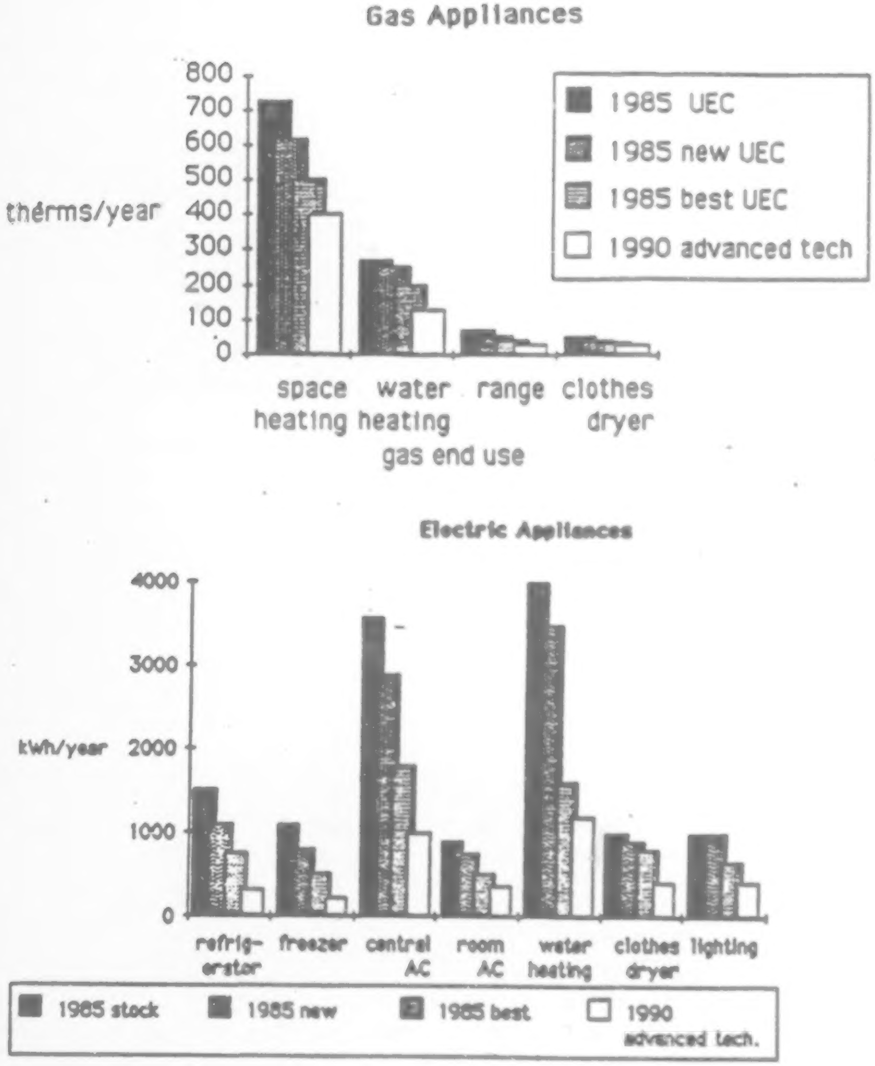


Figure 2. Fuel expenses as a component of the average U.S. retail price of electricity (in constant 1985 $), 1980 to 1985. Note that in real dollars, the average electricity price per kilowatt-hour (to all sectors) has changed little in six years, while the fuel component has declined from 35 percent to 26 percent. Non-fuel expenses, especially capital costs of new powerplants, have offset lower fuel costs. Oil costs have dropped even more dramatically, from 10 percent in 1980 to less than 3 percent in 1985. Even if the average cost of oil to utilities were to drop 50 percent, the average retail price per kWh would decline by only about 1/10 of a cent. Other cost increases would quickly offset any such decline.



Figures 3a and 3b. Unit Energy Consumption of Gas and Electric Household Appliances in the U.S. Each set of bars compares energy use by the average model in the 1985 stock, the average new unit and best new unit sold in 1985, and the best technology expected to be available in the 1990's. For scale, note that the electric appliances sold in just one year use as much electricity as is produced by six large, 1000-MW powerplants. This would drop to two powerplants if all new models were as efficient as the best 1990's technology. Source: H. Geller, American Council for an Energy Efficient Economy

For an individual appliance, the energy savings may be modest, but the aggregate numbers are impressive. One year of electric appliance sales represents the amount of energy produced by six large, 1000-MW baseload powerplants. This would drop to two powerplants, if all new models were as efficient as the best projected 1990's technology shown in Figure 3b.

A similar story can be told for energy-using capital equipment in industry: typical energy consumption of new stock could often be reduced dramatically with cost-effective investments [Ross, 1985]. Similarly, the fleet-average efficiency of new automobiles could be raised from 27 mpg to about 40 mpg at a cost of under $1/gallon of gasoline saved. [Fahrenwald and Herendeen, 1982; Bleviss, 1984]

In summary, the best buildings, appliances, and cars now on the market are already 30-40 percent more efficient than today's average stock, but the gradual introduction of this technology will not get the U.S. ratio of energy/GNP down to the level of Japan or France. To achieve that, in the next 20 years, will require pressing forward with technology now on the drawing board—in other words, maintaining a strong national R&D program targeted to industry's needs. In the next sections, we discuss the past successes and future potential of the federal program.

## 3. The Federal Energy Conservation R&D Program Has Achieved Dramatic Successes and Holds the Promise of Continued Success

We now turn to the basic issue: how well has the federal R&D program served the nation?

Table A.1 quantifies the dramatic returns on investment generated by DOE-sponsored R&D in the buildings sector. Additional detail is provided in the case studies in Part B of this paper. Each of these technologies will yield extremely large payoffs once they reach market saturation; three had already demonstrated significant commercial success by 1985 (solid-state ballasts, low-emissivity window films, and heat-pump water heaters).

By way of example, let us consider the first three technologies in Table A.1: solid-state ballasts, low-emissivity window films, and residential absorption heat pumps.

- The total government cost of these three projects is less than $12 million, thanks to DOE cost-sharing with private industry.
- Two of the three projects (the third is not yet commercial) have **already produced annual net savings**[3] far greater than the total federal R&D investment over several years. In other words, a *one-time* federal investment of $5 million for the two projects has already generated an *annual* return of $25 million—or over 500 percent per year.
- The near-term benefits are small, however, compared with the eventual impact from full market saturation of these new technologies. Taken together, they **will ultimately save U.S. consumers over $10 billion per year**.
- However, we must assume that, eventually, these technologies would have been developed commercially even without federal R&D support. The government should take credit only for accelerating the market—by about 5 years, in these three cases. Thus, the net benefit of federal involvement in these three projects is 5 years times $10 billion/year, or roughly **$50 billion**. This represents **an extraordinary 4000 to 1 return to the taxpayer on an initial investment of only $12 million.**

The other projects shown in Table A.1 also show substantial net savings, and handsome returns on the federal R&D investment.

Table A.1 illustrates another important point: the long lead-times involved in research, development, and successful commercial adoption of a new technology. DOE research on solid-state electronic ballasts, for example, began in 1976 and lasted until 1980. Despite relatively high turnover rates for replacing fluorescent ballasts, it will probably take until the mid-1990's for them to reach 50 percent market saturation. This perspective makes it clear that well-targeted R&D can have a major impact if it advances the eventual commercialization date by only a few years.

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[3] Net savings = annual energy savings minus the increase in (annualized) capital cost to buy the more efficient products.

**Table A.1. Lead-times and Net Savings for Successful DOE-Sponsored Buildings Energy R&D Projects.**

| | Solid State Ballasts | Low-E Window Films | Residential Absorption Heat Pump | Advanced Electric Heat Pump | High Efficiency Refrigerator Compressor | High Efficiency Refrigerator -Freezer | Heat Pump Water Heater |
|---|---|---|---|---|---|---|---|
| 1. DOE Project Duration | 1976-1980 | 1976-1980[D] | 1978-1988 | 1977-1986 | 1977-1981 | 1978-1983 | 1977-1982 |
| 2. Est. 50% Penetration of Sales | 1986 | 2000 | 2001 | 1998 | 1990 | 1988 | 1995 |
| 3. Years by which DOE advanced commercialization | 5 yrs. | 5 yrs. | 5 yrs. | 2 yrs. | 2 yrs. | 2 yrs. | 3 yrs. |
| 4. Cost of Conserved Energy, (CCE) | 2¢/kWh | $2/MBtu | $2.50/MBtu | $2.75/MBtu | 1¢/kWh | 3¢/kWh | 3¢/kWh |
| 5. Cost of DOE Project | $3M | $2M | $8.8M | $2M | $1M | $0.8M | $0.7M |
| 6. Net Annual Savings in 1985 | $11M | $14M | $0M | $0M | $0.4M | $0.2M | $6.5M |
| 7. Net Annual Savings at Saturation (i.e. 10-15 after 50% penetration) | $5,000M | $3,000M | $2,400M | $2,500M | $1,100M | $850M | $3,000M |
| 8. Cumulative Net Savings (Line 7 x line 3) | $25,000M | $13,000M | $12,000M | $5,000M | $2,200M | $1,700M | $9,000M |
| . DOE Project ROI (Return on Investment, = Line 8 ÷ line 5) | 8,000: 1 | 7,000 : 1 | 1,500 : 1 | 2,500 : 1 | 2,000 : 1 | 2,000 : 1 | 13,000 : 1 |

*Notes:*

A All dollar savings in energy costs are net of increased costs for purchase of the improved equipment (ballast, window, etc.).

Line 4. Cost of Conserved Energy, CCE. We use a real discount rate d = 7%, and the useful life of the product: e.g. - 10 years for ballasts, 20 years for windows. The CCE of low-E films, now still a novelty, is currently $4/MBtu, but as the market matures, we estimate that the CCE will drop to $2/MBtu.

C. Line 7. Net Annual Savings at Saturation are in 1985$, uncorrected for: growth in the building stock, changes in real energy costs, or discounted future values. We decided not to account explicitly for these three factors, since all three are uncertain and their combined impact probably small, as shown by the following calculation. To translate savings in 2000 or 2010 to 1985 terms, one multiplies by: $\exp[(g + e - d)T]$, with the following annual rates:

$$\left.\begin{array}{l} g = \text{growth rate of building sector (3\%)} \\ e = \text{real price escalation for electricity or fuel (1-2\%)} \\ d = \text{real discount rate (4-7\%)} \end{array}\right\} \quad g + e - d = (-3 \text{ to } +1\%)$$

T = years between 1985 and the est. saturation date, 20 - 25 years.

D. As indicated on line 6, 70m sq.ft. of first generation soft-coat were already installed in 1985, but this soft-coat can be used only between sealed double glazing. Current R&D aims to increase the durability and applicability of sputtered coatings and to produce additional engineering data to better utilise the coatings in sunbelt climates and in commercial buildings.

*Source:* See case studies, Part B.

Additional examples of high-impact R&D projects are provided in the 1985 DOE Conservation Multiyear Plan. **Table A.2**, reproduced from the DOE Plan (page 12), contains a list of 18 projects, mostly from the industrial sector, that have led to new technologies that are commercially available today. All were supported, fully or in part, by the DOE conservation programs. DOE estimates energy savings from these 18 projects at approximately $16 billion *per year* by the year 2010.

There are still other examples outside the industrial sector. For example, DOE-sponsored R&D on advanced ceramics for turbines and other vehicle engines could generate well over 1 quad of *annual* fuel savings by the year 2015, representing benefits of over $7 billion/year. All this for a projected total federal investment of $239 million. [Johnson, et al.]

Energy efficiency research, as these examples make clear, is far from an academic exercise. The total federal investment in energy conservation research, less than $200 million per year, has already paid off dramatically in bottom-line economics.

TABLE A2 Selected Completed Conservation Technologies
(Partial List)

| Technology (Year Completed) | $10^{12}$ Btu/ Year* | $10^6$ $ Savings** |
|---|---|---|
| Cogeneration-Coal Fired Steam Turbine (1983) | 344 | 1,720 |
| Cogeneration-Slow Speed Diesel (1983) | 516 | 2,580 |
| Computer Controlled Oven (1981) | 228 | 1,140 |
| Controlled Speed Accessory Drive (1981) | 31 | 155 |
| Cupola Stack Air Injection (1981) | 25 | 125 |
| Dye Bath Reuse (1979) | 19 | 95 |
| Foam Finishing (1980) | 52 | 260 |
| Heat Exchanger-Dryer (1982) | 59 | 295 |
| Heat Pump Water Heater (1980) | 410 | 2,050 |
| High Efficiency Welding Unit (1979) | 42 | 210 |
| Nitrogen-Methanol Carburization (1981) | 10 | 50 |
| ORC Bottoming Unit (1981) | 225 | 1,125 |
| Plastic Wastes to Fuel (1982) | 88 | 440 |
| Plating Waste Concentrator (1981) | 22 | 110 |
| Recuperators-AiResearch (1979) | 178 | 890 |
| Recuperators-GTE (1979) | 247 | 1,235 |
| Slot Forge Furnace (1978) | 20 | 100 |
| Solid State Ballast (1980) | 660 | 3,300 |
| Totals: | 3,176 | 15,880 |

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* Estimates of national energy savings projected in the year 2010, given the market penetration performance history of these technologies.

** The projected annual dollar value of energy savings in the year 2010 estimated at $5 per $10^6$ Btu.

Source: FY 1987 Energy Conservation Multi-Year Plan, July 1985, Office of Conservation, US DOE.

[Editor's note, Table A2. This table, reproduced from the DOE Multi-Year Plan, shows gross savings of $3.3 B from solid-state ballasts in 2010. Our estimate in Table 1 is that net savings, at saturation, will be about $5 B. The difference is due to three factors, in addition to the gross vs net savings discussed in notes to Table 1: (1) We assume actual 1985 average electricity costs (7.5¢/kWh) while the DOE document assumes 4.5¢/kWh (based on $5/MBtu for all energy). (2) We assume eventual full saturation of the 250 BkWh used for fluorescent lighting in the U.S. in 1985; DOE's assumed baseline usage is 200 BkWh. (3) Our figure assumes 33% average savings, including reduced cooling loads and savings from improved control of lighting levels; DOE assumes an average savings of 25% per ballast.]

These statements should not be misunderstood to suggest that all government energy conservation research projects are successful. Many projects have succeeded, as documented in Tables 1-2 and in the case studies (Part B). But others have failed to work as hoped, or have been slow in achieving commercial acceptance. This is inherent in research programs--in fact without such risk factors there would be less justification for federal involvement.

However, this same point illustrates an important advantage of R&D on end-use energy efficiency: R&D efforts are *diversified*, so the consequences of a single failure can be offset by other successes. By contrast, when government or private resources are concentrated on a few large-scale projects—as with some energy supply technologies--any failure or setback becomes all the more costly, in terms of both wasted dollars and lost time.

### 4. Advances in Energy-Efficient Technologies Are Needed to Assure a Strong Competitive Position for U.S. Industry in the World Market

The previous section identified a number of advanced energy efficiency technologies with strong commercial potential. But who will be the technological leaders in these growth sectors, U.S. firms or their overseas competitors? The answer depends, in part, on a continued strong federal role in advanced technology R&D.

Three contrasting examples from the lighting industry illustrate this point. The first involves electronic ballasts for fluorescent lights. As discussed in Part B, DOE-supported ballast R&D played a key role in reducing technical risks, sharing information with the industry, and helping U.S. firms to bring a new product to market so as to maintain their strong domestic position.

A similar DOE-industry research program on compact, screw-in fluorescent lamps was halted in 1981--while still in its formative stage--due to federal funding cuts. By 1985, a number of Japanese and European firms were already well ahead of their U.S. counterparts in introducing advanced, high-efficiency lamps. The Illuminating Engineering Society of North America publishes an annual list of new lighting products; in 1985, 12 of the 50 items were introduced by overseas firms.

The third case is still hanging in the balance. It involves lighting controls, a market with very high growth potential over the next few years. Recent DOE-funded research has again provided much of the technical foundation for U.S. companies to establish a position of market leadership. With continued federal support, the opportunity exists for a highly successful DOE-industry collaboration to take advantage of this multi-billion dollar market.

We find a similar pattern in another high-technology product line: efficient electric motors and controls. U.S. industrial, commercial, and residential consumers pay about $80 B/year for power to run electric motors. Recent advances in magnetic materials and power electronics are greatly improving the efficiency of these motors and motor-driven systems and reducing costs to consumers. Permanent-magnet motors, for example, can have 20 percent lower losses than the best induction motors, run cooler, are smaller and lighter, and are more precisely controlled. Current applications include machine tools, robotics, computer peripherals, and home appliances.

A recent study (Baldwin, 1986) points out that:

> U.S. competitiveness in this rapidly growing market for new motor technologies is of concern, however. As pointed out by the National Materials Advisory Board, 'The fundamental work leading to the REPMs [Rare-Earth Permanent Magnets, such as SmCo] was done largely in the United States...; but after government support ceased, materials R&D in the U.S. magnets industry deteriorated. Practically all recent PM materials have been developed to commercial maturity in Japan.'

> Thus, the NMAB concludes that 'despite the critical importance of magnetic materials, the U.S. is rapidly losing its competitive position.' And this in a market that is expected to reach $2B annually next year.

A final example is in the area of housing technology, an industry that is traditionally seen in the U.S. as fragmented and slow to accept technical innovation. Contrast our situation with that in Sweden, where the government supports an ambitious R&D program in all aspects of basic and applied building technology. [Schipper, et al., 1985] Total funding is of the same order of magnitude as that in the U.S., even though the domestic market is only about one-twentieth the size of ours. Swedish researchers have produced a host of technical innovations that are already used in "superinsulated" houses around the world. Applications of R&D results to an industrialized building sector have made high-quality, energy-efficient homes the norm in Sweden, rather than the exception. Several firms are now exporting their factory-built housing to the U.S., and beginning to compete successfully in upscale markets.

These examples show the commercial importance of energy efficiency technologies. The opportunities are there; the key is how to help U.S. industries position themselves to best advantage. Part of the answer lies in basic and applied R&D, where the federal government, as discussed in the next section, is a crucial player.

### 5. There is an Essential Role for the Federal Government in Energy Conservation Research

Both private and public sector R&D is an investment in the future. Industries and nations that invest too little in R&D, or fail to pursue valuable projects to completion, will suffer losses in competitiveness, innovation, and productivity. Such losses are not always apparent for some years, but a lack of high-quality R&D inevitably cripples industries and can weaken whole economies.

Comparative data shown in **Figure 4** demonstrate that other industrialized countries often give much higher priority to government investments in energy efficiency R&D than does the U.S. [Ketoff, 1986] Using one index, conservation R&D spending per Quad of energy use (light cross-hatching in the Figure), the U.S. ranks fifth among the five countries shown. An alternative index, R&D spending as a fraction of GNP (dark cross-hatching), the U.S. ranks third—but still well below levels for France and the U.K. If the French government's program for energy conservation R&D were scaled to the U.S., it would represent between $260 and $380 million per year (according to whether the scaling factor is GNP or energy consumption). [AFME, 1986] This compares with actual U.S. conservation R&D expenditures of only $171 million for FY 1986 (including information and technology transfer), which would be further cut to $71 million under the proposed FY 1987 budget.

There are widely differing views on the appropriate federal role in energy conservation R&D. We generally concur with the following policy statement in the DOE Energy Conservation Multiyear Plan:

> The federal role in energy research and development is concentrated in areas where the incentives for and availability of private investment are severely limited or nonexistent. ... The success of federal research and development programs in providing options for private investment and commercial development depends on effective technology transfer.

DOE defines a role for federal research and development in those areas where there is little incentive or few resources available to the private sector. This policy must be interpreted in light of recent findings on the limited extent of private R&D investments in many sectors of U.S. industry. A recent study of appliance manufacturers and markets worldwide showed that U.S. firms spent only 1-2 percent of their 1983 sales revenue on all R&D (not just energy efficiency), in contrast to an estimated 3-4 percent spent by

Japanese appliance manufacturers. [Sterling Hobe Corp., 1984] For comparison, rapidly advancing "high-tech" industries in the U.S. typically allocate 4-7 percent of revenues to R&D. [*ibid.*]

Other reviews of R&D in the manufacturing sector find that private firms often have limited incentive or resources to undertake their own research because of high up-front costs, risks of failure, and uncertain competitive advantage from a new advance, which might be rapidly adapted or copied by other firms. Nor is it apparent that the modest federal tax incentives provided for industrial R&D have had any significant impact. [Baily and Chakrabarti, 1985]

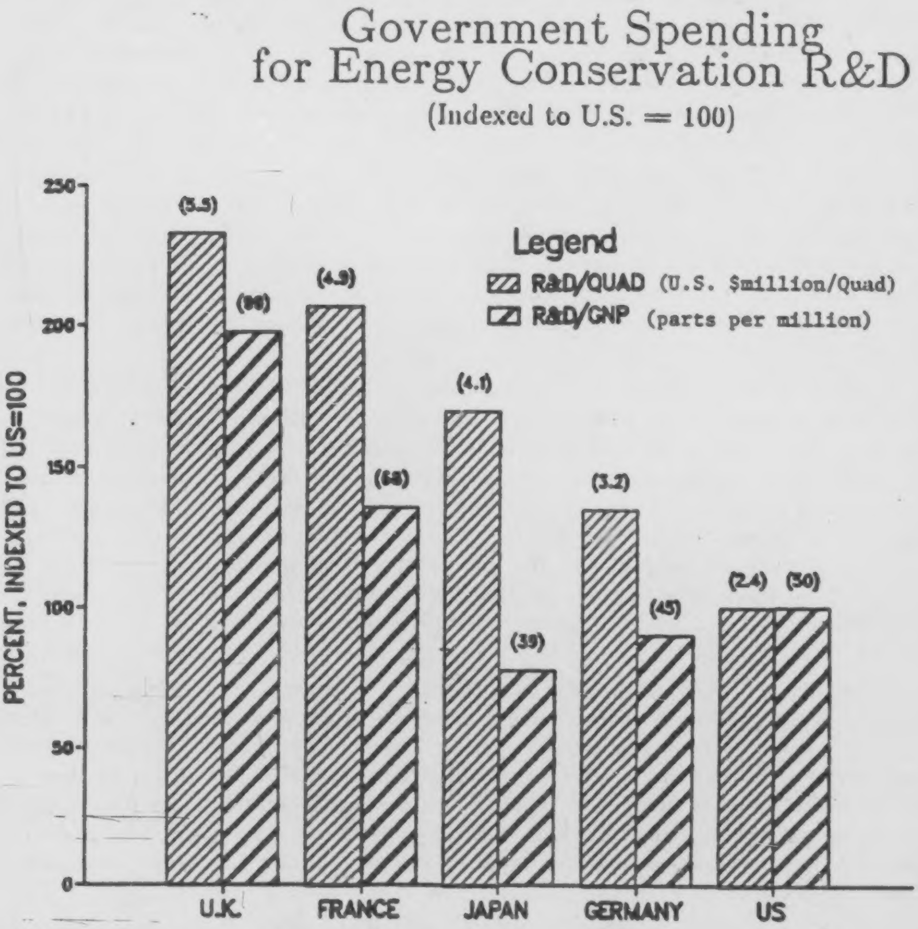

Figure 4. Government spending for energy conservation R&D in five industrialized countries. The data show that other industrialized countries often give higher priority to government spending on energy efficiency R&D than does the U.S. One index (light cross-hatching) is conservation R&D spending per Quad of energy use; the U.S. ranks fifth among the five countries shown. A second index (dark cross-hatching) is R&D spending as a fraction of GNP; the U.S. ranks third—still well below levels for France and the U.K. Source: Ketoff, 1986

With regards to the building industry, the recent ERAB Demand Panel report states that:

> Many small design firms, building companies, and component manufacturers comprise the building industry. Most private firms will undertake basic R&D activities if there are substantial and immediate monetary gains for the firm, and this is seldom possible in a fragmented industry of small firms. As a result, too little R&D is performed and [it] must be supplemented by the government if it is to be accomplished on any substantial scale.

The FY 1987 budget proposal urges DOE to immediately initiate joint programs with private industry, presumably to make up part of the large cuts that are planned. Collaborative, cost-shared research is generally a sound idea, and in many cases is already a feature of successful DOE-sponsored energy efficiency R&D. The flaw lies in assuming that DOE's industry partners will be willing or able to *increase* their participation, to make up for drastic reductions in federal support. In fact, the opposite will more likely occur: the private sector will be likely to reduce its own participation in step with any withdrawal of federal R&D support.

Our discussions with industry R&D leaders, including the two largest industry organizations doing research on energy efficiency (the Electric Power Research Institute and the Gas Research Institute) reveal no prospect of private industry funds that might substantially replace federal funding. Even if such private funding could be generated, it would take many years to change industry priorities and to organize new collaborations between the federal government and individual firms or industry research establishments.

We need to underscore one other essential element of DOE-funded R&D: the work on more fundamental, "technology base" activities, as opposed to specific products or devices. The result of this research is more difficult to quantify than the product-oriented R&D discussed above—but no less crucial. Industry depends on such government-sponsored research to provide a technology base upon which it can build innovative, marketable new products. The long-term nature of such research, the highly specialized expertise required, and the lack of directly marketable products limits the ability of most industries to pursue it, in the absence of a leading federal role. DOE has been successful in this role in the past, and must continue its support at an appropriate level.

Finally, the DOE Multiyear Plan points to the benefits of a federal technology transfer program. We agree; successful R&D needs to get into the market in order to have an impact on more efficient use of energy. Technology transfer is important and deserves adequate support. While some technology transfer occurs as built-in part of projects that DOE co-funds with industry in other R&D categories, we note that the entire budget line item "Analysis and Technology Transfer" has been reduced to $1 million in the proposed budget. This is totally inadequate for any meaningful national program.

To summarize, we endorse DOE's stated policies on the appropriate federal roles for purposes of our discussion. The issue, as stated, is one of appropriate level of government support. This depends in turn on an assessment of the magnitude of the problem, and the degree to which government activities can solve it. The problem is surely large—we are wasting $150 to $250 billion per year, and facing increasing competitive pressures from overseas industries, and depleting our own oil and gas reserves at a rate that is proportionately 8 times faster than that of the OPEC countries. [Flavin, 1985] Federal support of energy conservation R&D is a key to addressing these problems over the long term.

### 6. Federal Energy Conservation R&D Contributes to Underlying Policy Goals of a Lower Budget Deficit

The Gramm-Rudman-Hollings legislation recognizes the urgency of reducing the federal deficit. Why? A burgeoning national debt means higher interest rates, which threaten to stifle economic growth by competing with the private sector for available capital.

But the federal deficit is not the only drain on investment capital. The U.S. energy sector itself accounts for only about 12 percent of GNP, but represented 40 percent of total investment in plant and equipment expenditures, for all sectors, in 1982. [Goldenberg, et al., 1986] From 1979 to 1984, the oil industry invested $250 billion in oil exploration alone, without achieving a net increase in U.S. reserves at the end of the five years (i.e., new discoveries just offset production). From 1973 to 1984, the electric utility industry invested $300 billion in new power plants. The single largest drain on investment dollars—after the federal deficit—is the investment in new energy supply.

Greater efficiency in energy use also means that less capital is needed for new energy supply facilities. Of course, energy-efficient technologies also require capital investments, but these are almost always several times lower, per barrel of oil or per kilowatt-hour, than investments required for traditional sources of energy supply.

In short, *increased energy efficiency can make a significant contribution to the objective of increased capital availability and lower inflation rates that are underlying goals of a reduced federal deficit.* It makes no sense to disproportionately slash federal funds for energy conservation R&D, in the name of the very policy goals that are best achieved by energy efficiency.

### Conclusion

As we have seen, the proposed 50+ percent reductions in federal energy conservation R&D funding carry a double penalty for the U.S. economy and all consumers:

(1) Given the lead-times of 20 years or more for development and commercialization of advanced energy-saving technologies, we **cannot afford to abandon or defer the R&D investments that are needed now** for long-term economic vitality.

(2) Many R&D projects also have near-term payoffs. Even with a (temporary) softening of world oil prices, we can continue to **save billions of dollars each year** from the earlier introduction of energy-efficient technologies. Reducing the nation's energy bill makes our industries more productive, slows inflation, reduces our trade deficit, and gives each consumer more money to spend in job-creating sectors of the economy.

The projected impacts and high leverage of DOE R&D funds are discussed in some detail in the preceding sections and in the case studies to follow. DOE's current R&D program contains numerous projects with the same potential for success as those already completed. These projects and their rationale are described in several DOE reports, including the Multi-Year Plan. The data provide convincing evidence of the enormous value, both now and in the long run, of a well-formulated energy conservation research effort.

We recognize that controlling the federal deficit requires strong, even painful, action. However, activities that have demonstrated their success in meeting important national needs—including the objectives of federal deficit management—must be recognized. The federal role in energy conservation R&D falls into this category. We must maintain the momentum, to avoid crippling the nation's prospects for energy and economic security in the 1990's.

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Mrs. SCHNEIDER. Thank you.

The other thing that I would like to point out is that the President's Commission on Industrial Competitiveness noted in its report that the United States has not only lost its large market shares in the auto, steel, rubber, and primary metal industries, but it has also lost its shares in 7 out of the 10 high technology markets, and energy efficiency products are among those fast growing high technology markets. One electricity consuming product after another is being totally renovated with high technology design improvements and solid-state electronic devices.

To protect the U.S. domestic markets and to improve our global competitive position we should be pursuing national energy policies that help to cut in half the 12 percent of the GNP that pays for energy. Needless to say, that will have an enormous impact on lowering our budget deficit. And although the U.S. energy sector accounts for about 12 percent of the GNP, it represented 40 percent of total investment in plant and equipment expenditures in 1982.

The other point that I would like to make, having to do with the oil price collapse, is one of national security and our need for energy efficiency. There is no assurance right now that this oil price collapse will sustain itself. The U.S. Energy Information Administration projects substantial increases in oil imports in the 1990's as a result of declining U.S. oil reserves.

I think it is noteworthy that between 1979 and 1984 the U.S. oil industry invested $250 billion in oil exploration alone without achieving a net increase in U.S. reserves at the end of that 5 years. Imagine what benefits we might have achieved had we invested that $250 billion in energy efficiency improvements.

Needless to say, if we are to become complacent at this time I think we can be assured of being once again in a very vulnerable situation.

Mr. Chairman, I urge you and the members of your committee to strongly support a freeze of the Department of Energy's conservation programs at the 1986 levels. I think these programs, as we look at them, have already suffered a 50-percent reduction over the past 5 years, and I believe that they have contributed more than their share to the budget cutting process.

I would also especially appreciate your support for what is known as the least cost energy planning initiative, which is within the conservation budget this year. This is a 3-year, $4 million Technology Transfer Program. It is a very modest program. It has broad based support. It is supported by the National Association of Regulatory Utility Commissioners, the American Gas Association, the American Public Power Association, Edison Electric Institute, and the National Association of State Utility Consumer Advocates.

This particular Technology Transfer Program would return the benefits of taxpayer funded research to the U.S. utilities and to the ratepayers. The essence of the Technology Transfer Progarm is to provide information on the full range of energy efficiency technologies to the utilities.

Mr. Chairman, this concludes my testimony. I would very much appreciate your forceful leadership in assuring that we can maintain the 1986 freeze level for the Department of Energy's budget for energy efficiency.

I think that some of the arguments I have made, whether they relate to national security or our trade imbalance or just general security for our economic future, are significant but regrettably have not received national attention and broad viewing. So it is up to us, the decision makers here, to be a little ahead of the game and to make such recommendations and carry them through so that we can protect our constituents.

Senator DeConcini. Congresswoman Schneider, thank you very much. I certainly agree with your observations on the need for these particular programs and also for the President's Commission on Competitiveness. I hope somebody is reading that besides you and I. A number of members have had briefings on it. I find that it really goes to the heart of some of the points you brought out in addition to others that we need to look at. A bipartisan spirit is necessary to maintain our advantage in some cases while catching up in other cases.

Your testimony is greatly appreciated, and I can assure you from this Senator's point of view I will support a freeze of those figures at last year's level.

Mrs. Schneider. Terrific. Thank you very much, Senator.

## STATEMENT OF HON. RON DE LUGO, DELEGATE FROM THE VIRGIN ISLANDS, U.S. HOUSE OF REPRESENTATIVES

### PREPARED STATEMENTS

Senator DeConcini. Congressman Ron de Lugo.

Welcome, Congressman de Lugo. We are always glad to have a representative of the beautiful U.S. Virgin Island territory, and we appreciate your constant vigilence on behalf of that part of our great country.

Mr. de Lugo. Thank you very much, Mr. Chairman. I know the time constraints that the committee is working under today. I will be very brief.

Before I begin my oral presentation, I would like to ask unanimous consent to present a prepared statement from my fellow delegate from the Territory of Guam, Delegate Ben Blaz, who cannot be here today as he had a previous long-standing commitment to meet with his constituents back in Guam on his legislation that deals with the land in Guam and it is of great importance to the people of Guam.

Senator DeConcini. It will be inserted in the record.

Mr. de Lugo. Thank you.

Might I ask unanimous consent that my prepared statement be in the record.

Senator DeConcini. Likewise, without objection, it will appear in the record in full.

[The statements follow:]

## STATEMENT OF RON DE LUGO, M.C.

Mr. Chairman and members of the subcommittee, thank you for providing this opportunity to bring to your attention the fiscal year 1987 appropriations requests of importance to the U.S. Virgin Islands.

The Virgin Islands has made considerable progress toward its goal of economic self-sufficiency. Tourism is strong, and with the completion of the St. Thomas runway imminent, the islands look forward to further securing this market. The extension of the St. Croix runway is equally important if the territory is to broaden its markets to Europe and the west coast of the United States, and I continue to work toward the realization of that project. Tourism has been our most reliable industry. But the Virgin Islands realizes that diversification is essential. At present, we are experiencing the downside of that perception. One of our two largest manufacturers, Martin Marietta Alumina, closed its doors last year placing 400 workers on the streets. Our other major employer, Hess Oil Virgin Islands, has laid off a little over 500 workers in the past year, 200 of them just recently. Add to this the impact on the support services to these companies and you can appreciate the sense of crisis, particularly on St. Croix, the location of these companies. Meanwhile, Congress is continually reassessing the tax and trade incentives available to the U.S. insular areas, making efforts to attract alternative industries increasingly difficult.

I offer this brief assessment of the situation in the Virgin Islands because I believe that the context in which my request for financial assistance is made is not always apparent. The Virgin Islands is acutely aware of the strict limits placed on Federal spending under the balanced budget and Emergency Control Act of 1985. The act has had its most adverse impact on the insular areas of the Nation. This was made clear in a report by the Federal Funds Information for States. It pointed out that the District of Columbia and the territories and commonwealths will be hit the hardest by the cuts required under Gramm-Rudman because of the nature of their dependence on Federal funds. The requests I am making today reflect an attempt to balance the fiscal assistance needed in the Virgin Islands against the need to limit Federal spending which will be central to the appropriations decisions made by the subcommittee. The items I describe are those included in the House Interior and Insular Affairs Committee recommendations for the fiscal year 1987 budget. I hope you can give the requests made your support.

### WATER PIPELINES

In its fiscal year 1987 request for capital improvement funding, the Government of the Virgin Islands proposed four projects as priorities, for a total CIP request of $12 million. They include funding for water distribution repairs, additional funding for the St. Croix Airport runway extension, and solid waste treatment assistance. The administration has supported one of those projects by recommending $2.9 million for repairs to the water distribution system in Charlotte Amalie, St. Thomas.

The Virgin Islands has invested considerable resources in water production and distribution. Congress, through direct appropriations and under Federal grant programs, has also helped the territory to address its critical water problems. While much has been done through desalination to address the ongoing water shortage, the territory is trying to solve the other tangent of its water crisis: the loss of more than one-half of the water placed into the distribution system through leakage and, to a lesser extent, through faulty metering. The water distribution pipelines in the islands are over 40 years old. They are rusted, in many places right through. Public health and safety are endangered, the millions of dollars in revenues lost each year are a strain which the local government, already operating at a deficit, is hard pressed to accommodate. Simply put, the leaks and rust are a hazard and a waste. Water in the territory is expensive enough to generate, and we need help in addressing the problem.

The administration has proposed funding the next phase of the Virgin Islands water distribution master plan. This would continue the replacement of the main water line in Charlotte Amalie, St. Thomas. The town accounts for more than one-half of the potable water demand in St. Thomas. The distribution system in two areas on St. Croix, Estate Profit and Clifton Hill, are also in critical need of attention. I hope the

Department of the Interior will work with the territorial government to address this aspect of our water distribution problem as well.

Repairing the water pipelines is a priority for the Virgin Islands. I appreciate the administration's sensitivity to the issue, and urge the committee to appropriate the recommended funding.

### TECHNICAL ASSISTANCE

The House Committee on Interior and Insular Affairs recommended an increase of $500,000 over the $2.2 million for technical assistance requested by the administration. The purpose of the Technical Assistance Program is to assist the territories in developing private enterprises. While the Office of Territorial and International Affairs has apparently made an effort to do this for the Commonwealth of the Northern Marianas by providing economic development funding in the proposed covenant amendments. No similar effort is evident in the other territories. As a matter of fact, to my knowledge, the Secretary of the Interior has yet to submit the reports required by law on the administration's efforts and recommendations for developing private enterprises in the territories. Nonetheless, building the private sector remains a priority for the territories, and we need help. I believe OTIA should have the funds needed to provide meaningful assistance, and only hope that it will use its resources, in conjunction with the abundant resources available in other Federal agencies, to provide the help we need.

### COVER OVER OF RUM EXCISE TAX

As do Guam and Puerto Rico, the Virgin Islands relies on a permanent appropriation for one of its most important and, until recently, reliable resources. I refer to the return of the excise taxes on rum. The revised Organic Act of the Virgin Islands requires that Federal revenues collected in or derived from the Virgin Islands shall be transferred to the Government of the Virgin Islands. The most significant of these collections are the excise taxes on rum. This tax was imposed on rum entering from the Virgin Islands, and Puerto Rico, as a means of equalizing the costs vis-a-vis mainland distillers. From its inception, this equalizing tariff was returned to the territory.

#### A. COVER OVER OF INCREASED TAX

The 1984 Tax Act increased the excise tax on rum and other distilled spirits by $2 per proof gallon. For the first time in our history, the act also prohibited the cover over of the increase. The result was the reduced sales which occur when there is an increase in the cost of liquor, without the benefit of the tax increase. According to the President's budget, over 5 years the excise taxes returned to the Virgin Islands will fall from $40 million to $25 million. I am hoping to get support for returning the full amount of the excise tax collected on the rum to the Virgin Islands. Since this is an Interior account, I ask for your support in reinstating the original standard for this permanent appropriation.

#### B. GRAMM-RUDMAN-HOLLINGS SEQUESTRATION

Additionally, Gramm-Rudman-Hollings has been interpreted as including the excise taxes collected on rum in both the Virgin Islands and Puerto Rico, as well as the permanent appropriation provided under section 30 of the Guam Organic Act. In fiscal year 1986, the Virgin Islands stands to lose $1.3 million in sequestered excise tax returns. Yet, the revenues involved constitute a Federal obligation to the territory prior to their collection. Thus, transfer of these payments to alleviate the Federal deficit would constitute a transfer of funds from the territorial government to the Federal Government.

The Director of the Office of Management and Budget stated in testimony before the Senate Budget Committee that the rum excise funds "appear in the budget as an incidental matter for convenience of administration rather than as a means of resource allocation." Congress recognized and exempted most of this type of account from sequestration, but failed to do so for the Virgin Islands rum fund, or for the Puerto

Rico and Guam accounts. While the Budget Committees seem inclined to exempt these accounts, they are understandably reluctant to open the issue. Your help in achieving the necessary exemption, possibly in the appropriations bill, is most needed by each of the affected insular areas.

### EASTERN CARIBBEAN CENTER

This committee has been instrumental in the past in providing funds for planning the development of the Eastern Caribbean Center at the College of the Virgin Islands. The idea of the center was proposed by the President in the context of the Caribbean Basin Initiative. The center is expected to serve as a link between the United States and the island nations of the Eastern Caribbean, and would provide study and expertise designed to address the special development needs of islands in the leeward chain.

Specifically, the center's work includes agriculture and technology needs assessment; an insect and disease distribution biological census; food production research; aquaculture and food processing projects; a water research inventory; data systems improvement; middle-management training; professional training in critical fields related to human resources; and telecommunications designed to bring these resources and others directly to the Eastern Caribbean Islands.

While the funding for planning the Eastern Caribbean Center has come out of the Department of the Interior budget in the past, the House Committee on Interior and Insular Affairs appropriately observed that the Department of State has greater expertise in developing and administering the funding of such a center. In fact, the East-West Center in Hawaii which serves as a model for the Eastern Caribbean Center is funded through the U.S. Information Agency. Thus, I ask you, when considering the appropriation for the U.S. Information Agency in full committee, to support the $1.2 million requested for the center this year.

### ALTERNATIVE ENERGY PROGRAMS

Although the fall in the price of oil has taken the edge off of the territories' desire to reduce their reliance on imported oil, the development of our abundant alternative energy resources should not be abandoned. The recommendations of the territorial energy assessment submitted to Congress back in December 1982 and the Congressional Research Service Conference in 1983 should still serve as the guidelines for assuring that the insular areas will not be inhibited by unreasonable reliance on imported petroleum. Last year $472,000 were appropriated through the Department of Energy to fund demonstration projects expected to make an actual contribution toward reducing the costly dependence and pervasive dependence on petroleum imports. I ask that you support a similar appropriation of $475,000, as recommended by the House Interior and Insular Affairs Committee.

I thank you for your attention and urge your support.

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## STATEMENT OF HON. BEN BLAZ

Thank you for the opportunity to offer testimony on the proposed fiscal year 1987 budget for the Territory of Guam.

The fiscal year 1987 Department of the Interior budget as submitted by the President provided limited funds for needed capital improvement projects for Guam. While we all recognize the President's efforts to balance the national budget by implementation of the Gramm-Rudman-Hollings Act, this Congress has for some time recognized the importance of the role of the Federal Government in the development of infrastructure in Guam. Such a policy embraces national security and economic development needs, thus ensuring that Americans on Guam have access to the basic social and economic services that are available to Americans elsewhere.

Congress has also recognized that the provision of infrastructure in the shortrun will enable the territorial government to assume a greater share in the responsibility for the financing of other capital projects in the longrun. Public investments in facilities contribute to the economic development of communities. The availability of modern public facilities serves as a catalyst to attract new industries and businesses, which in turn create jobs and other services for the community. Capital improvement funding is an integral component in Guam's efforts to become economically self-sufficient and to reduce its overall dependence upon the Federal Government for financial assistance. For these reasons, I am appealing to you for consideration and support for appropriations on certain priority items which directly affect the health and welfare of the citizens of the Territory of Guam.

### WATER PROJECTS

The deficiency of the water infrastructure development in Guam, particularly in water transmission and distribution, is so serious that it has led to crisis conditions in the southern part of the territory. In addition, the Guam water delivery and storage system is in need of construction of new lines and storage facilities and extensive repair to existing ones. In recognition of this problem, Congress authorized $16.3 million in Public Law 98–454 to fund the necessary improvements. I am pleased that the President has included in the budget $3,500,000 for Guam's water system for fiscal year 1987. These funds would be used to renovate the Mangilao to Chalan Pago water lines. I seek your favorable support for the full amount requested by the administration.

### MENTAL HEALTH/DRUG ABUSE FACILITY

The people of Guam are deeply grateful for the appropriations made in fiscal year 1986 to design a mental health/drug abuse facility in Guam. This facility is badly needed because care is currently provided in the old Guam Memorial Hospital which has serious structural deficiencies, posing a threat to safety as well hindering the treatment of patients. We are seeking at this time $1,450,000 for the first phase of construction which will accommodate alcohol, drug abuse, and mental health services.

### GUAM POWER AUTHORITY LOAN SUBSIDY

We are equally grateful for the initiatives taken by Congress to ensure that Guam has reliable, adequate, and reasonable electric power service and to put the Guam Power Authority on a sound financial base.

The Omnibus Territories Act of 1984 required the Secretary of the Interior to guarantee the refinancing of an existing $36 million loan to the Guam Power Authority [GPA] by the Federal Financing Bank [FFB], and authorized to be appropriated to the Secretary such sums as are necessary to pay the repurchase payment that may be required, and the interest rate differential between the 7-percent fixed rate guaranteed to GPA and the FFB interest rate. I seek your support of the administration's request of $1,606,000 as the fiscal year 1987 estimate for the payment of the interest rate differential. I also request your favorable support to increase this amount to $1,966,000, the difference is the amount to be sequestered under Gramm-Rudman-Hollings. Such an increase would enable the Department of the Interior to meet its fiscal year 1986 obligation regarding the debt in fiscal year 1987.

### SECTION 30 FUNDS

For the past 35 years, Federal income tax collections from federally employed Guam residents have been collected by the U.S. Treasury and subsequently transferred back into the territorial treasury. These revenues derived from the territory constitute an obligation of the Federal Government to Guam prior to their collection. The procedure established under authority of section 30 of the Organic Act of Guam provides that the Secretary of the Treasury, prior to the commencement of any fiscal year, shall remit to the Government of Guam the amount of duties, taxes, and fees which Guam and the Department of the Interior have estimated will be collected in or derived from the territory. At the end of the fiscal year, the U.S. Treasury deducts or adds to the amounts actually collected during the prior year. These collections are not appropriations from the Federal Government.

The implementation of the Gramm-Rudman-Hollings Act, which has resulted in an interpretation that Federal tax collections for and from Guam are resources eligible to be sequestered to meet deficit reduction targets, is contradicting the time-honored commitment to pass on these estimated collections in full. Withholding a portion of these collections for Federal use would result in an unprecedented transfer of resources from the territorial to the Federal Government.

As the Director of the Office of Management and Budget has earlier testified before the Senate committee on identifying sequestration of these payments as a deficiency in Public Law 99-177, these "funds appear in the budget as an incidental matter for convenience of administration rather than as a means of resource allocation."

I am seeking your favorable consideration in appropriating the amount of $29 million estimated by the administration to be collected in fiscal year 1987 for Guam, and an additional sum of $1,290,000, the amount being sequestered in fiscal year 1986.

Thank you.

Mr. DE LUGO. Thank you very much, Mr. Chairman.

There are three items that we urge consideration and inclusion in the budget.

One has been proposed by the administration, and that is an item of $2.9 million, which is for repairs to the water distribution system in Charlotte Amalie, St. Thomas.

We have done a lot in the Virgin Island to meet our water needs. We have gone into a tremendous program of desalinization, the changing of salt water into potable water.

Our big problem is distribution. It is estimated that we are losing as much as 50 percent of the water because of the distribution system. The pipelines are more than 40 years old; they are rusted and have to be replaced.

This would begin the second phase. The total project is going to cost some $10 million, but the first phase already is under way. Some $3 million were put in for that, and now we need to continue with the second phase.

Another area, Mr. Chairman, and this applies not only to the U.S. Virgin Islands but Guam and Puerto Rico as well. We have relied on a permanent appropriation which up until recently was one of our most reliable resources, and that is the return of the excise tax that is placed on rum. That was money that we used to build our infrastructure for capital improvements. Up until 1984 the total excise taxes collected on rum has always been returned to the territories, and it was returned to equalize the production or the cost of producing rum in the territories of the United States. In 1984, for the first time, that was changed. They withheld the $2 increase that was placed on there.

That has had a very devastating effect on the U.S. Virgin Islands. First of all, as you know, there has been less consumption of hard liquor in the United States because of the concern for temperance. But also, when you increase the tax, that makes the product more expensive, so it slows down the sales. Whereas, until recently we were getting something like $40 million returned to the Virgin Islands, it is now estimated that that will go down as low as $25 million.

We are urging that the $2 excise tax be restored, that is, that the excise tax that has been placed on there be returned to the territories.

We realize that the Finance Committee feels that that is in its jurisdiction, but I do feel that this committee also has jurisdiction in this area since this is the committee that has the primary responsibility for the territories.

Finally, another problem affecting the rebate of the rum excise taxes is an issue which may be more urgent yet more capable of solution. Gramm-Rudman-Hollings has been interpreted as including the excise tax collected on rum in both the Virgin Islands and Puerto Rico as well as the permanment appropriation provided under section 30 of the Guam Organic Act. In fiscal year 1986 the Virgin Islands stands to lose $1.3 million in sequestered excise tax returns.

The Director of the Office of Management and Budget stated in testimony before the Senate Budget Committee that the rum excise funds "appear in the budget as an incidental matter for convenience of administration rather than as a means of resource allocation."

Congress recognized and exempted most of these types of accounts from sequestration but failed to do so for the Virgin Islands rum fund or for Puerto Rico and Guam accounts.

While the Budget Committees seem inclined to exempt these accounts, they are understandably reluctant to open the issue because obviously they don't want to open that Pandora's box. Your help in achieving the necessary exemption, possibly in appropriations legislation or in the appropriations bill, is most needed by each of the affected insular areas.

I thank you for your courtesy.

Senator DECONCINI. Thank you, Congressman de Lugo. I was unaware of the change in the 1984 law. I probably should have been. I didn't vote for the Tax Simplification Act of 1984, but I can see the great detriment to you.

How much money would that $2 tax amount to if it was returned? Do you have any idea?

Mr. DE LUGO. Between $5 and $6 million a year.

Senator DECONCINI. That would be substantial for your needs, I take it, particularly with the reduction that you just described.

Mr. DE LUGO. It certainly would. It would be very helpful to us.

Senator DECONCINI. I regret that this committee, of course, does not have the ability to write tax laws. It doesn't mean that we haven't done such things before, but it is within the jurisdiction of the Finance Committee. I certainly will express my strong views to the chairman of that committee and other members.

Mr. DE LUGO. Thank you very much, Mr. Chairman.

Senator DECONCINI. Thank you, Mr. de Lugo.

## STATEMENT OF HON. FOFO I.F. SUNIA, DELEGATE FROM AMERICAN SAMOA, U.S. HOUSE OF REPRESENTATIVES

Senator DECONCINI. Congressman Sunia.

Welcome, Congressman. We are glad to have you here today.

Mr. SUNIA. It is a pleasure to come before you again, Mr. Chairman. I would like to thank you for the opportunity to testify this afternoon. I am aware of the time constraints, so I shall be very brief.

For this fiscal year American Samoa requested $29.6 million for government operations. The budget, as proposed by the President, recommended $20.7 million.

Out of $12.5 million that was requested for capital improvment, the budget proposed only $2.7 million.

The House Interior and Insular Affairs Committee has recommended that Federal assistance for our essential infrastructure needs be continued at close to the current level of $5.6 million. It urged appropriation of funds in addition to those recommended under the Office of Territorial and International Affairs [OTIA] budget to build new classrooms and to make housing loans and to provide some badly needed medical equipment.

The housing fund is a program that we started in 1985, made in recognition of there not having been a HUD program for the territory.

Attached to my statement is information from the directors of education and health in American Samoa to show how the additional amounts recommended by the House committee would be spent.

In addition, I have appended information on housing loans from the American Samoa Development Bank.

Recognizing the fiscal pressures on the Federal budget, I am confining my request to you to these few recommendations. I also want to emphasize, Mr. Chairman, that American Samoa has begun to develop all feasible additional local revenues.

A sales tax was instituted last year, and other fees, tariffs, and duties are being considered. Further, a task force has been appointed and is studying ways of meeting future financial needs.

I know that you will give our requests the same serious consideration they have received in the past.

I would be remiss if I did not touch on one part of the budget for the territories, that is, the technical assistance funds of OTIA. Under your guidance, Mr. Chairman, and that of your counterparts in the House, we have enjoyed a steady increase as you have recognized that our need for such assistance is joint in nature with other territories and can be easily attended to by the Office of Territorial and International Affairs.

As we develop our infrastructure and improve our operations, we find it necessary to call upon the advice of OTIA. With this technical assistance, OTIA has been able to respond. We continue to appreciate the able help of the Office of Territorial Affairs under the fine leadership of Mr. Rick Montoya.

## PREPARED STATEMENT

I would like to ask, Mr. Chairman, that the full body of my remarks be embodied in the record.

Senator DECONCINI. Congressman Sunia, it will be.

[The statement follows:]

## Statement of Fofo I.F. Sunia

MR. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE, THANK YOU FOR THE OPPORTUNITY TO TESTIFY. LET ME ALSO EXTEND MY APPRECIATION FOR THE KEEN AND SINCERE ATTENTION THAT YOU AND YOUR STAFF ALWAYS GIVE THE PROBLEMS FACING AMERICAN SAMOA.

OUR GOVERNOR, A.P. LUTALI, WILL APPEAR BEFORE YOUR SUBCOMMITTEE ON MAY FIRST, BUT I WANT TO TAKE THIS OPPORTUNITY TO RAISE SOME POINTS WITH YOU ON BEHALF OF OUR ISLANDS.

AMERICAN SAMOA REQUESTED $29,617,500 IN GOVERNMENT OPERATIONS ASSISTANCE FOR FISCAL YEAR 1987. THE PRESIDENT PROPOSED ONLY $20,776,000.

OUT OF $12,534,500 THAT WE REQUESTED FOR CAPITAL IMPROVEMENT PROJECTS SUCH AS REROOFING SCHOOL BUILDINGS, IMPROVING THE SEWER SYSTEM AND NEW FIRETRUCKS, THE BUDGET PROPOSED JUST $2,730,000.

THE HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE HAS RECOMMENDED THAT FEDERAL ASSISTANCE FOR OUR ESSENTIAL INFRASTRUCTURE NEEDS BE CONTINUED AT CLOSE TO THE CURRENT LEVEL OF $5,633,000. IT URGED APPROPRIATION OF FUNDS TO BUILD NEW CLASSROOMS AND ATHLETIC AND HEALTH FACILITIES AND TO MAKE HOUSING LOANS AVAILABLE, IN ADDITION TO THE PROJECTS PROPOSED BY THE PRESIDENT. THE HOUSE COMMITTEE'S ADD-ONS INCLUDED $990,000 FOR EIGHTEEN CLASSROOMS, EACH MEASURING FORTY-TWO FEET BY ONE HUNDRED AND COSTING $55,000; $333,000 FOR AN INDOOR GYMNASIUM, A CONTINUATION OF A PROGRAM BEGUN LAST YEAR; $980,000 FOR THE HOUSING LOANS FROM THE AMERICAN SAMOA GOVERNMENT DEVELOPMENT BANK; AND $600,000 FOR MEDICAL EQUIPMENT.

THE HOUSING FUND IS A PROGRAM BEGUN IN 1985, MADE IN RECOGNITION OF THERE NOT HAVING BEEN H.U.D. PROGRAMS FOR THE TERRITORY. ATTACHED TO MY STATEMENT IS INFORMATION FROM THE DIRECTORS OF EDUCATION AND HEALTH IN AMERICAN SAMOA TO SHOW HOW THE ADDITIONAL AMOUNTS RECOMMENDED BY THE HOUSE COMMITTEE WOULD BE SPENT. IN ADDITION, I HAVE APPENDED INFORMATION ON HOUSING LOANS FROM THE AMERIKA SAMOA DEVELOPMENT BANK.

RECOGNIZING THE FISCAL PRESSURES ON THE FEDERAL BUDGET, I AM CONFINING MY REQUEST TO YOU TO THIS RECOMMENDATION. I ALSO WANT TO

EMPHASIZE THAT AMERICAN SAMOA HAS BEGUN TO DEVELOP ALL FEASIBLE ADDITIONAL LOCAL REVENUES.

A SALES TAX WAS INSTITUTED LAST YEAR, AND OTHER FEES, TARIFFS AND DUTIES ARE BEING CONSIDERED. FURTHER, A TASK FORCE IS STUDYING WAYS OF MEETING FUTURE FINANCIAL NEEDS.

I KNOW THAT YOU WILL GIVE OUR REQUESTS THE SAME SERIOUS CONSIDERATION THEY HAVE RECEIVED IN THE PAST. I HOPE YOU WILL DECIDE TO GRANT US THE ADDITIONAL ASSISTANCE AS RECOMMENDED BY THE HOUSE INTERIOR COMMITTEE. THE GOVERNOR OF AMERICAN SAMOA JOINS ME IN ASSERTING THAT THE RECOMMENDATIONS I HAVE OUTLINED ARE THE TERRITORY'S HIGHEST PRIORITIES. PLEASE HELP US IMPROVE EDUCATION, HOUSING AND HEALTH IN THE ONLY TERRITORY SOUTH OF THE EQUATOR, IN AN INCREASINGLY IMPORTANT AREA OF THE WORLD.

I WOULD BE REMISS IF I DID NOT TOUCH ON ONE PART OF THE BUDGET FOR THE TERRITORIES, THAT IS, THE TECHNICAL ASSISTANCE FUND. UNDER YOUR GUIDANCE AND THAT OF YOUR COUNTERPARTS, WE HAVE ENJOYED A STEADY INCREASE AS YOU HAVE RECOGNIZED THAT OUR NEED FOR SUCH ASSISTANCE IS JOINT IN NATURE AND CAN BE EASILY ATTENDED TO BY THE OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS.

AS WE DEVELOP OUR INFRASTRUCTURE AND IMPROVE OUR OPERATIONS, WE FIND IT NECESSARY TO CALL UPON THE ADVICE OF O.T.I.A. WITH THIS TECHNICAL ASSISTANCE, O.T.I.A. HAS BEEN ABLE TO RESPOND. WE CONTINUE TO APPRECIATE THE ABLE HELP OF THE OFFICE OF TERRITORIAL AFFAIRS UNDER THE FINE LEADERSHIP OF RICK MONTOYA.

DATA ON HOUSING LOANS FROM THE AMERICAN SAMOA GOVERNMENT

SOURCE: LELAND KORKLIN, PRESIDENT
AMERIKA SAMOA DEVELOPMENT BANK

1. THE NUMBER OF APPLICANTS ON THE WAITING LIST FOR HOUSING LOANS IN AMERICAN SAMOA IS ABOUT 1450.
2. CONGRESS APPROVED $980,000 FOR HOUSING LOANS IN F.Y. '86. D.O.I. HELD UP THE FUNDS UNTIL MANAGEMENT PROBLEMS AT THE BANK WERE RESOLVED. I AM PLEASED THAT EVERYTHING HAS BEEN CLEARED UP, AND THE FUNDS WERE RELEASED THIS MONTH. THEY WILL IMMEDIATELY TAKE

CARE OF THIRTY-TWO APPLICANTS WHO ARE AT THE TOP OF THE WAITING LIST.

3. THERE IS URGENT NEED FOR FINANCIAL ASSISTANCE FOR HOUSING LOANS IN AMERICAN SAMOA. ASIDE FROM THE ABSENCE OF FINANCIAL SOURCES IN THE TERRITORY, AMERICAN SAMOA IS ONLY NOW BEGINNING TO EMERGE FROM THE FRAMEWORK OF COMMUNAL LIVING. YOUNG ADULTS WHO GREW UP IN LARGE FAMILIES IN ONE HOUSE NOW WISH TO OWN HOMES FOR THEIR OWN IMMEDIATE FAMILIES, UNLIKE THE STYLE GENERALLY ACCEPTED BY GENERATIONS BEFORE THEM. THIS SERIOUS NEED HIGHLY WARRANTS AMERICAN SAMOA'S REQUEST FOR ADDITIONAL FEDERAL FUNDING.
4. UNABLE TO FIND SUFFICIENT FINANCING, PEOPLE ARE BUILDING PIECEMEAL. RESULTS ARE POORLY BUILT HOUSES WHICH DO NOT COMPLEMENT THE ENVIRONMENT AND FAIL TO MEET SAFETY AND HEALTH REQUIREMENTS.

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**AMERICAN SAMOA GOVERNMENT**
**PAGO PAGO, AMERICAN SAMOA 96799**
LBJ TROPICAL MEDICAL CENTER
DIRECTORS OFFICE

February 21,1986

CONGRESSMAN FOFO SUNIA

WASHINGTON D.C.

Please find list of Medical equipment in priority order as you requested yesterday. Short justification statement also included.

We appreciate all your efforts is helping us upgrade medical care of our people.

SOIFUA,

Julia L. Lyons

JULIA L.LYONS M.D., MPH
DIRECTOR OF HEALTH

## Priority List

| | Price Each | Quantity | Cost |
|---|---|---|---|
| A. Radiology Dept. | | | |
| 1) Image Intensifier -- G. Electric | | (1) | 170,000 |
| 2) Ultrasonography Unit -- Picker | | (1) | 65,000 |
| B. Laboratory | | | |
| 1) DuPont ACA | | (1) | 70,000 |
| C. Surgery | | | |
| 1) Operating Tables | $18,000 each | (2) | 36,000 |
| 2) Anesthesia Machine | 23,000 " | (2) | 46,000 |
| 3) Anesthesia Ventilator | 1,750 " | (2) | 3,500 |
| 4) Obstetrical delivery tables | 37,000 " | (2) | 74,000 |
| D. OB/Gyn | | | |
| 1) Patients examination table | 8,000 each | (2) | 16,000 |
| Kreishelman Cart | 3,000 | (1) | 3,000 |
| EKG Monitors | 6,500 each | (2) | 13,000 |
| Bovie | 3,500 | (1) | 3,500 |
| Portable Life Pack | 8,000 | (1) | 8,000 |
| E. ENT | | | |
| Ear Nose & Throat Patient examining chair and ear nose & throat patient treatment units | | (2) | 10,000 |
| F. Respiratory Therapy | | | |
| $MA_2$ | 18,000 | | 18,000 |
| | | | $536,000 |
| | 10% Maintenance & repair | | 54,000 |
| | Shipping & Freight | | 10,000 |
| | | | $600,000 |

## Request Equipment Justification

### Nursing

1) Isolette for NEONATAL INTENSIVE CARE

We only have 2 isolettes to accomodate critical newborns on several occasions we have 3 to 5 infants who all required closed observation and monitoring. At present we are not adequately equipped to handle more than 2 critical inants. Needless to say neonatal intensive care is being compromised.

2) Kreiselman Cart to receive c/section newborns. Preparedness and readiness of equipments/tools are important in saving lives or prevention of neonatal deaths. Our present Kreiselman is in bad shape and needs replacement it is almost 20 years old.

3) Bovie Machine for cauterization (Electro-Surgical). Present machine is considered unsafe to use; we've had this machine since 1968.

Laboratory

Instrument -- DuPont ACA

Discrete clinical analyzer for routine chemistries and TDM. Load on, walk away, regents pre-packaged. This will enable more accurate tests results, due to O.J.T. Technicians. Low amount of calibration large volume test, including TDM

Radiology

1) X-Ray Image Intensifier -- present unit not repairable.
2) Sonogram -- present unit too small and too old and breaks down too often.

Operating Room

Operating Tables (2) Tables are 16 years old. Gashet's leak - no parts available for repairs.

Bovie - Electric Cautery Unit (1 ea.) Present one 6 years old and cannot be repaired.

Surgery, OB-Gyn and Anesthesia Department

In order to administer anesthesia to obstetrical patients in the two labor rooms -- it is absolutely necessary to have proper life support equipment.

The two anesthesia machines that we have -- are no longer safe to use. They are 18 years old - and have deteriorated beyond the stage of repair.

Two new anesthesia machines complete with vaporizers and ventilators are necessary to extend and support anesthesia care of O.B. patients in the labor rooms.

Anesthesia Machines (2) Complete with vaporizers and ventilators.

All patients receiving anesthesia are monitored by EKG monitors. No monitors are available for patients in the labor room. In order to comply with standard safety practice -- of patient care and life support -- it is necessary to have two (2) life pak "6" EKG monitors.

Two (2 each) Life Pack "6" EKG monitors complete with cables, etc.

Two (2) Delivery Room tables -- present tables are 8-10 years old and need repair if parts are available.

Two(2) E.N.T. Patient examining chairs. Present - 2 chairs not usable. No parts available for repair.

One (1) Dinamapp - Automatic Blood Pressure Monitoer complete with pediatric and child and adult cuffs. Critical patients receiving anesthesia are in need of accurate and repitious monitoring which requires constant attention and documentation. We need one of these units as soon as possible.

One (1) Dinamapp B/P Units Complete

Senator DECONCINI. I can assure you that this committee will give careful attention to your needs. I am well acquainted with this issue and I know the chairman has expressed his views regarding American Samoa and other territories. Your needs will not go unheeded. We appreciate what your problems are there and we will carefully scrutinize this budget request and the appropriation and will do all we can.

Mr. SUNIA. Thank you very much, Senator.

It is nice to see the chairman again.

## PREPARED STATEMENT OF ANTHONY C. BEILENSON

Senator DECONCINI. The committee has received a statement from Congressman Beilenson, which will be inserted in the record at this point.

[The statement follows:]

## STATEMENT OF REPRESENTATIVE ANTHONY C. BEILENSON

Mr. Chairman, I appreciate the opportunity to testify before your subcommittee in support of funding for the Santa Monica Mountains National Recreation Area (NRA) which is located partially in the congressional district I represent. We appreciate the nearly $8 million appropriated by Congress last year for the park, and we hope that there will be additional funds forthcoming for FY 87 to continue the land acquisition program there.

The Reagan Administration has, once again, recommended no funding at all for land acquisition for the Santa Monicas for next year. It has also proposed to rescind $3.5 million--almost half--of the FY 86 funds Congress appropriated for this park. We hope that you will reject both proposals. The administration's policy toward this park is shortsighted because, in the long run, it is going to cost the government more if land purchases are delayed than if we can finish buying the land within the next few years.

The land acquisition program, which should have been completed two years ago under the timetable contained in the park's 1978 enabling legislation, is now only one-third complete. Still, with the relatively modest amount of funding Congress has appropriated in the past few years, the Park Service has made significant progress toward fulfilling its land acquisition goals.

With the funds appropriated for FY 86, the Park Service has acquired a number of properties in Zuma and Trancas Canyons. These adjoining coastal canyons contain rare and valuable wildlife and are among the most ecologically significant areas of the entire park. The two major trails that link the park from east to west and north to south run through this area, and thus completing acquisition in this area is an important step in linking the public lands throughout the park.

The most important FY 86 acquisition in Zuma Canyon was a 1,530 acre parcel which was purchased jointly with the state's land acquisition agency, the Santa Monica Mountains Conservancy. The Park Service spent $2 million on the property, while the state spent $6 million--$8 million altogether on land which had been privately appraised at between $12 and $14 million.

Other properties acquired with FY 86 funds include six parcels the Park Service classified as hardship cases, and two properties which were under immediate threat of development. These properties, mostly within the Zuma and Trancas Canyons area, amounted to 244 acres, and were purchased for a total of $1.5 million.

The final $3.5 million, which the Park Service had set aside to acquire the 272-acre Quaker Corporation property in Las Virgenes Valley, is on hold pending the outcome of the Administration's rescission request. Prior to the request, the Park Service was preparing to obtain a court-ordered appraisal because this property is threatened with imminent development. The Quaker parcel is extremely important because it is located in the heart of the recreation area and the Park Service would like to use it, in conjunction with an adjoining property, as headquarters and a major activity site for the park. If the Park Service cannot spend the $3.5 million Congress appropriated for land purchases, there is a high probability that we will lose this very valuable property to development.

In FY 87, if funds are made available, the Park Service would like to acquire the following:

--Hardship properties in priority areas, mostly Zuma and Trancas canyons. These are small properties that the Park Service wants; their financially hard-pressed owners have been waiting patiently for years to sell to the Park Service. Estimated cost: $1 million.

--The Claretville property. This 214-acre tract is the other Las Virgenes Valley property which, together with the Quaker parcel, would be the site of joint state and national park headquarters, a major visitor center, a museum, a hostel, and a research center. The Claretville property, once the home of the powerful industrialist King Gillette, already has structures which could be adapted for these purposes. Estimated cost: $13,000,000.

--Solstice Canyon, which provides easy access to the beach from the mountains and would be a magnificent area for hiking and picnicking. The Santa Monica Mountains Conservancy has already purchased the southern portion of the parcel; federal purchase of the northern portion (345 acres) will complete the acquisition. Because of its excellent development potential, Solstice Canyon is likely to become a residential development if the Park Service does not acquire it soon. Estimated cost: $3.1 million.

--Additional properties in Zuma and Trancas Canyons. Another 1,738 acres of undeveloped land in this area is immediately available to the Park Service. Estimated cost: $8.7 million.

--Medea Valley. Purchase of 314 acres located adjacent to land now owned by the Park Service would allow expansion of the existing visitor uses in this area and would provide a critical link in the major north-south trail in the mountains. Estimated cost: $7.5 million.

--Peter Strauss Ranch. Now owned by the Santa Monica Mountains Conservancy, this area is used for a variety of outdoor activities including cultural performances and art exhibitions. The Park Service has planned to reimburse the Conservancy for a portion of the acquisition costs and to assume management of the site. Estimated cost: $690,000.

--Hernandez Bowl, located in Topanga Canyon, which would provide an important link in the Backbone Trail corridor. Estimated cost: $250,000.

We realize that the above-mentioned properties add up to a sum far in excess of what we can realistically hope for Congress to appropriate in one year, especially given the budget constraints we are operating under. But we have listed them to make you aware of the needs of the park and the importance of appropriating the highest amount of funding possible for it.

The cost of Santa Monica Mountains land is, admittedly, expensive. But as I mentioned earlier, the federal government will spend much more in the Santa Monicas in the long run if the purchase of land there is delayed than if enough funding is made available in the next few years to complete the Park Service's land acquisition program. Because of tremendous pressures for development in the Los Angeles area, the cost of land in the Santa Monicas continues to escalate. If we delay purchasing the land, we will end up spending more for it later--and we will get less of it.

But even more important, land that is not set aside for the park will be developed and, because that land is particularly prone to fires, floods, and mudslides, we are almost certain to be paying exhorbitant amounts in federal disaster relief for the increasing number of homeowners there who become victims of natural disasters. In the long run, the federal government could easily end up paying more in disaster aid--with no public benefit resulting--than if we purchase land there, now, for the park.

Finally, I would like to add one more important point about the Santa Monica Mountains NRA, and that is that this park has the potential to be the most frequently visited unit of the entire National Park System.

Already, with the park only one-third complete, it attracts half a million visitors a year. The mild climate of Southern California and the proximity of the park to more than ten million people who live within an hour's drive invite steady and frequent usage throughout the entire year. In terms of providing outdoor recreational opportunities for the greatest number of people now and in the future, there is probably no better use of National

Park Service funds than the continued acquisition of park land in the Santa Monicas.

We hope, therefore, to have your support in ensuring continued progress in FY 86 and FY 87 toward completing federal land purchases in the Santa Monicas Mountains National Recreation Area.

Thank you, again, for the opportunity to testify and for your consideration of this request.

## DEPARTMENT OF THE INTERIOR

### OFFICE OF THE SECRETARY

### STATEMENT OF HON. DONALD PAUL HODEL, SECRETARY

#### PREPARED STATEMENT

Senator McCLURE [presiding]. We will now hear from the Secretary of the Interior on the fiscal year 1987 budget request for the activities of that Department under the jurisdiction of this subcommittee.

The fiscal year 1987 budget request for all departmental operations, with the exception of the Bureau of Reclamation, totals $3,632,714,000 a reduction of $467,216,000 below fiscal year 1986 appropriations to date. Of the amount appropriated in fiscal year 1986, $175,901,000 is sequestered. Also pending are supplemental requests totaling $219,520,000 and rescission requests of $116,100,000.

Mr. Secretary, your complete opening statement will be included in the record at this point. If you would like to introduce others who may be responding or who are with you today, we will then proceed to the questions.

[The statement follows:]

## STATEMENT OF DONALD PAUL HODEL

I am pleased to appear before you today in support of the President's FY 1987 budget for the Department of the Interior.

Our 1987 budget is equally sensitive to the President's efforts to reduce the Federal deficit and to managing and maintaining our public lands, parks, and other resources. Within available budgetary resources, we have chosen to emphasize operation and maintenance of public lands and facilities rather than new investments in construction and land acquisitions. You will see in this budget that for operating activities, most of our bureaus will have more resources available, or at least as much, in 1987 as they had in 1986.

### FY 1987 Budget

The 1987 Interior Department budget totals $6.2 billion in budget authority, a decrease of $184.3 million from the current 1986 estimate. Outlays in 1987 are estimated to be $6.6 billion, a $295 million reduction below the 1986 estimate of $6.9 billion.

Excluding the Bureau of Reclamation budget, which is considered by the Energy and Water Development Subcommittee, the FY 1987 request for current appropriations under the jurisdiction of this Subcommittee is $3.6 billion, a decrease of $424 million from the 1986 current estimate of $4.1 billion and $468 million from the 1986 appropriation level.

While providing sufficient funding to meet the Department's many and varied responsibilities, this budget contributes to reduction of the deficit. The Department's total requested budget of $6.2 billion is at a level that, taken together with the other components of the President's budget, will achieve the FY 1987 deficit target established by the Gramm-Rudman-Hollings Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177).

### Authorizing Legislation Required

For the Committee's information, I would like to point out several items in the FY 1987 budget which require passage of authorizing legislation by the Congress. Our highest priority in this area is legislation for establishment of new recreation entrance fees and increases in fees already in place for the National Park Service ($59 milion). Fees have not risen since 1972 and are frozen by law.

Legislation will also be proposed for the Bureau of Land Management-Forest Service interchange ($3.4 million) and for payment of Minerals Management Service interest on refunds ($200,000). In addition, authorizing legislation is required for sharing net receipts from onshore mineral leasing and O&C grant lands; and for increasing the price of the Duck Stamp from $7.50 to $10.00.

### Effects of Gramm-Rudman-Hollings

As you know, the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings) will result in changes in the 1986 levels of budget and spending authority and outlays. For programs under this Subcommittee's jurisdiction, $176.1 million in budget and spending authority is sequestered. Of this amount, $175.9 million is permanently cancelled and $174,000, in BLM's Service Charges, Deposits, and Forfeitures special fund account, is reserved. In addition, reimbursable spending authority of $4.5 million and loan authority of $3.5 million will be sequestered under P.L. 99-177. These sequestrations in total will reduce 1986 outlays by $136 million.

## Other FY 1986 Changes

In addition to the effect of Gramm-Rudman-Hollings, our current 1986 estimates also reflect proposed supplementals of $311.7 million and rescissions of $116.1 million in budget and contract authority.

FY 1986 fire supplementals of $34.5 million are proposed. Under existing authority, the Department transferred $34.5 million during 1985 from various accounts to help finance fire fighting and rehabilitation in national parks and on Indian lands. The budget proposes to reimburse these costs through 1986 supplemental appropriations of $9.5 million for the National Park Service and $25.0 million for the Bureau of Indian Affairs. For the Bureau of Land Management, 1985 fire fighting costs were provided in a supplemental appropriation of $70 million in the 1985 Supplemental Appropriations Act (P.L.99-88).

Other supplemental appropriations requested for 1986 are $270.9 million to implement the Compact of Free Association with the Republic of the Marshall Islands and the Federated States of Micronesia; $3.2 million for National Park Service mining and minerals evaluation costs in Alaska; $770,000 for Park Police pensions; $800,000 for the Minerals Management Service for interest on late payments; and $1.5 million to establish a trust fund for fisheries management to meet the agreements settling the Indian fishing rights dispute in Michigan.

Rescissions totalling $116.1 million are also proposed in 1986. Total 1986 budget authority for land acquisition in the amount of $24.3 million is proposed to be rescinded. The amounts by bureau are: Park Service, $19.3 million; and Fish and Wildlife Service, $4.95 million. In addition, $28.7 million in permanent Park Service land acquisition contract authority provided by the Land and Water Conservation Act is proposed to be rescinded. An additional $1.3 million of this contract authority is scheduled to be sequestered on March 1, 1986 under P.L. 96-177.

Other proposed rescissions are $35.9 million for state grants from the Land and Water Conservation Fund, $8.7 million from the Park Service 1986 construction appropriation, and $18.5 million for historic preservation grants to states and the National Trust for Historic Preservation. These rescissions are intended to restrain outlays in FY 1986 and 1987 to help meet overall deficit reduction goals.

## Budget Increases and Decreases

Although decreases from 1986 are proposed for many of the Department's accounts, the 1987 budget proposes some program increases over amounts provided in 1986. The major increases are as follows:

Operation of the National Park System. The budget continues to place a high priority on protecting and preserving the Nation's unparalleled National Park System. FY 1987 funding of $655.5 million is proposed for park operations. This is an increase of $44.8 million from the current estimate and an increase of $31.5 million from the enacted 1986 appropriation.

The increase for park operations will be funded by establishment of new recreation entrance fees and increases in existing fees which have not risen since 1972 and are frozen by law. Legislation to provide for these fees has been cleared within the Administration and is nearly ready to be submitted to the Congress. The new and increased fees are projected to raise fee revenues of $73.8 million during 1987, an increase of $52.5 million over the 1986 level. Eighty percent of the fees collected ($59 million) will be returned to the National Park Service and will be dedicated to park operations and maintenance programs. The remaining 20 percent will be deposited in the General Fund of the Treasury. Under current law, all park fees are deposited in the Land and Water Conservation Fund for subsequent appropriation to finance Federal land acquisition and state recreation grants. The legislative proposal for recreation user fees will establish a permanent, indefinite appropriation that will channel fee revenues to more directly meet the costs of operating and maintaining the National Park System.

Sport Fish Restoration (Dingell-Johnson). Based on increased excise tax and other revenues resulting from the 1984 Wallop-Breaux amendments to the Dingell-Johnson Federal Aid in Sport Fish Restoration Act, the 1987 budget includes as a permanent appropriation grants for state fish restoration programs of $161.5 million. This is an increase of $39.3 million from the estimated 1986 receipts of $122.2 million and an increase of $44.6 million above the 1986 receipts, less a 1986 spending decrease of $5.3 million imposed by P.L. 99-177. In addition, because of a proposed decrease of $5.3 million in Federal costs of administering the program in 1987, the states will receive a larger share of total Dingell-Johnson funds.

Surface Mining. To ensure continuation of the increased emphasis that the Department has placed on enforcement of the Surface Mining Reclamation and Control Act, the budget requests $100.9 million for the regulatory and technology programs administered by the Office of Surface Mining Reclamation and Enforcement (OSMRE). This is an increase of $15.7 million from the 1986 appropriation and an increase of $19.4 million from the current estimate, which reflects the sequestration of $3.6 million in budget authority permanently cancelled under P.L. 99-177. The increase will enable OSMRE to significantly increase its financial and technical support for State regulatory programs and to improve its Federal enforcement capability.

Tribal Trust Funds. Receipts deposited into Indian tribal trust funds are expected to increase by $37.5 million over 1986 receipts, reaching a 1987 total of $466.5 million. These increases include an anticipated increase in payments to tribes as a result of settlement of claims filed against the Federal government and an increase in receipts from timber fees. The trust funds are available to tribes as a permanent appropriation for tribal operations, economic development and other purposes. As a result of a specific provision in P.L. 99-177, these trust funds are exempt from sequestration.

Kesterson Reservoir contamination. Because of continuing interest in toxic drainage and contamination issues, I would like to note that, included in the FY 1987 budget, in the request for the Bureau of Reclamation, is $11.5 million to continue the joint Federal-State study of the environmental and economic impacts of and potential solutions to irrigation drainage problems in the San Joaquin Valley, and to complete preparation of the clean-up plan for Kesterson Reservoir. The $11.5 million request will fund activities of the Fish and Wildlife Service, Geological Survey and Bureau of Reclamation. No funds are requested at this time for actual clean-up pending submission of the clean-up plan to the State of California in December 1986.

In 1985, I established a Task Group on Irrigation Drainage to evaluate irrigation drainage effects at Interior facilities in other parts of the west. In January 1986, the task group identified about 20 areas involving Department of the Interior responsibilities throughout the west which require further study to determine if corrective action is needed to address confirmed or potential irrigation-induced water quality problems. Field teams are now preparing plans of study. Additional resources involving several bureaus and, potentially, non-Federal sources may be needed in 1986 to initiate field work at highest priority sites and in 1987 to conduct other priority work. The Department intends that funding for this work occur within existing budget levels.

As you are aware, the Department also recently issued a "Preliminary Survey of Contaminant Issues of Concern on National Wildlife Refuges". This report will be the basis for developing action plans to address contaminant problems identified on refuges. The FY 1987 budget increases resources in the Fish and Wildlife Service for monitoring, analyses and evaluation of contaminants.

Decreases from 1986 are proposed in other accounts in the Department. The major factors accounting for budget reductions are as follows:

Land Acquisition. Because of the need to reduce the Federal budget deficit, the total 1987 request for land acquisition is $31 million. Of this amount, $13 million for the National Park Service will fund administration of on-going acquisition actions from prior years and pay for emergency and hardship acquisitions and anticipated deficiency court awards. Another $1.5 million will fund administration of on-going Fish and Wildlife Service acquisitions. The balance is for land acquisition activities; $16.5 million financed by receipts from the sale of duck stamps. Assuming approval of proposed legislation to increase the price of the duck stamp from $7.50 to $10.00, it is estimated that revenue of $16.5 million will be available to acquire approximately 24,800 acres of wetlands in 1987.

Our total request of $14.5 million in current appropriations for land acquisition is a reduction of $91.2 million from 1986 appropriations. It is a reduction of $62.5 million from the current 1986 estimate, which reflects sequestration of $4.5 million in budget authority permanently cancelled under P.L.99-177 and proposed 1986 rescissions of $24.3 million. Because a large number of acquisitions have been funded over the past five years, the Department believes that land acquisition expenditures can be deferred without impairing the primary missions of the National Park Service and the Fish and Wildlife Service.

From 1981 through 1985, the National Park Service spent over $470 million to acquire 91,000 acres of park land. The Fish and Wildlife Service, during the same period, acquired 160,694 acres of refuge lands and 235,000 acres of migratory bird habitat at a cost of $274 million derived from the Land and Water Conservation Fund and the Migratory Bird Conservation account. During 1986, $60.5 million in new appropriations from the Land and Water Conservation Fund and $29 million in Migratory Bird Conservation funds will be available for land acquisition.

Construction. The Department has invested over $1.6 billion in construction since FY 1981. Given this large, recent investment and given the need for overall fiscal constraint, the 1987 request for construction programs is $100.5 million, a reduction of $169.5 million from the current estimate, which reflects sequestrations of $11.4 million in budget authority permanently cancelled under P.L. 99-177 and a proposed rescission of $8.7 million. The 1987 request is $159.7 less than enacted 1986 appropriations.

Construction funding for the National Park Service will be reduced $70.7 million from the current 1986 estimate to $29.1 million in 1987. This amount will fund 8 projects in 7 parks, all of which will address health, safety and resource protection objectives.

Bureau of Indian Affairs construction funding will be reduced $66.7 million from the 1986 estimate to $59.2 million in 1987. This reduction results in part from the inclusion in 1986 of $20.9 million to meet special housing needs associated with Navajo-Hopi relocation and the proposed FY 1986 transfer of $25 million to repay funds borrowed in 1985 to cover fire suppression costs. The emphasis in BIA construction in 1987 will be on correcting unsafe conditions in schools, repairing houses and rehabilitating dams, and on meeting the Federal government's commitment for the Papago water rights settlement.

Other construction decreases include $17.1 million from the 1986 estimate for Fish and Wildlife Service construction and $14.9 million for construction in the territories.

Sharing Net Receipts with States and Counties. The budget proposes that, beginning in FY 1987, the costs of managing and administering onshore mineral leasing be deducted from total revenues and that payments to States be based on the resulting net amount. Currently, state shares (50 percent for all states except Alaska, which is 90 percent) are computed on a gross basis without taking into account the costs of obtaining and distributing these receipts. These costs are now borne entirely by the Federal government.

Under our receipts sharing proposal, revenues from the onshore minerals program will provide the states with $551.5 million as a permanent appropriation in 1987. This will be a decrease of $53.5 million from the amount that the states would receive under current law.

Sharing of net receipts is also proposed for timber receipts from the former Oregon and California Railroad grant lands. This proposal will reduce estimated 1987 payments to O&C counties in Oregon from $65.1 million to $40.1 million, a reduction of $25 million.

Compact of Free Association. The budget requests $144.3 million for 1987 implementation of the recently adopted Compact of Free Association with the Federated States of Miconesia and the Republic of the Marshall Islands. However, because of first year funding for the Compact of $327.5 million in 1986 ($56.5 million of which would be funded by existing FY 1986 appropriations from the Trust Territory account), the 1987 request is a net decrease of $126.7 million in new budget authority.

Wildlife Restoration (Pittman-Robertson). The budget estimates that 1987 payments to the states under the Pittman-Robertson Federal Aid in Wildlife Restoration Act will be $95 million, a decrease of about $26 million below the current 1986 estimate of $121 milllion. This reduction results from delays that occurred in past years in reporting excise tax receipts on sporting arms, ammunition and other equipment and from an adjustment in receipts reporting made by the Internal Revenue Service in 1986. The effect of these actions has been to cause a one-time increase in 1986 of approximately $35 million over the 1985 estimate of $86 million. In 1987, because of a decrease of $6.5 million in Federal costs of administering the program, the states will receive a larger share of total Pittman-Robertson funds than in past years.

Other Reductions. Other reductions include $15.4 million from the current estimate for the programs of the Geological Survey; $20.6 million from the programs of the Bureau of Mines; and $5.2 million from the Historic Preservation Fund.

## Receipts

The Department of the Interior generates substantial revenue for the Federal government. For 1987, estimated receipts will be $7.8 billion, a decrease of $228 million from estimated 1986 receipts. Let me highlight some of the differences in our receipts estimate for 1987 compared with 1986.

The budget assumes a judicial resolution of the pending OCS 8(g) and Section 7 disputes, resulting in a payout over the next four years of the Outer Continental Shelf (OCS) mineral leasing funds held in escrow under these sections with related interest. More specifically, the budget reflects the position the Department has taken in litigation now pending in the Federal courts.

Our 8(g) litigation position is that Section 8(g) entitles the states to compensation only for any oil and natural gas actually drained from state lands by Federal leases. Our Section 7 litigation position is that the lands in question are wholly owned by the United States. For budgetary purposes, drainage is assumed to equal 4 percent of the escrowed funds and related interest.

Our receipt estimates in 1986 are based on payout of $481 million in principal and $300 million in interest for the undisputed portion of the Texas 8(g) escrow that the court has ordered distributed to us; no payout is projected for 1987, but in 1988 payout of $3.2 billion in principal and $2.5 billion in interest is estimated on the assumption that litigation with Texas and Louisiana over Section 8(g) and Alaska over Section 7 will be resolved in our favor. The Federal share of the balance of the payout of the 8(g) escrow account is expected to be completed in 1989 and amounts to $2.3 billion in principal and interest in that year.

In 1987, total OCS receipts will be $5.3 billion, a decrease of $0.2 billion from 1986. This decrease results from a payout from escrow of $0.5 billion in 1986, but no assumed payout in 1987. The decrease more than offsets an increase of $0.2 billion in rents and bonuses (due to more resources being offered in 1987) and from $0.1 billion more in royalties as the result of expected higher production and lower Windfall Profit Taxes more than offsetting the lower oil and gas prices assumed for the year.

Onshore mineral leasing receipts will increase by $81.6 million from 1986 to 1987 primarily as a result of a projected increase of $58.4 million in coal royalties due to two factors: an expected increase in production and a continuation of the policy of shifting from a "cents per ton" to a "percentage of value" basis for computing royalties.

Other offsetting Interior receipts (excluding onshore mineral leasing) are estimated at $0.9 billion in 1977, an increase of $165 million over the current estimate for 1986. Of the increase, $37 million is from higher timber receipts, $52.5 million is from park entrance fees, and $57 million is from all other offsetting receipts.

I would now like to discuss some of the highlights of the budget request for each Bureau.

## Bureau of Land Management

The Bureau of Land Management (BLM) is responsible for the conservation, management and development of 340 million acres of public lands largely in the western states, including 165 million acres in Alaska. BLM has responsibility for mineral leasing and supervision of minerals operations on the public lands, as well as on an additional 370 million acres of Federal mineral estate that underlies other surface ownership.

The 1987 budget estimate for BLM is $603.6 million, an increase of $11.9 million from the 1986 appropriation level of $591.7 million. The 1987 estimate is an increase of $40.1 million over the 1986 estimate, which reflects the sequestration of $28.2 million permanently cancelled under P.L. 99-177 (Gramm-Rudman-Hollings).

The primary reason for the apparent increase from 1986 to 1987 is that a portion of the timber payments to the Oregon and California (O&C) grant lands counties, scheduled for the beginning of 1986, was made at the end of 1985, reducing the 1986 base against which the 1987 estimate is compared. Had payments been recorded in 1986 in the normal pattern, the 1987 estimate would be a decrease of $21 million from the 1986 estimate.

The total impact of P.L. 99-177 on BLM is the permanent cancellation of $28.2 million in budget authority and an additional decrease of $0.3 million in 1986 spending and obligational authority. The effect on outlays is a 1986 decrease of $23.9 million.

The 1987 budget requests $379.1 million for Management of Lands and Resources (MLR), the Bureau's principal operating account, a decrease of $0.1 million from the 1986 estimate. This appropriation includes funds for energy and minerals management, lands and realty management, renewable resources management, planning and data management, cadastral surveys, firefighting and rehabilitation, technical services and general administration. The 1987 amount also includes funding to carry out legislation that will be proposed to implement the interchange of lands between BLM and the U.S. Forest Service.

The 1987 MLR estimate reflects the continuing emphasis on volunteerism and private investment on the public lands, as well as on cooperation with state and local governments and private users to share in funding and administration of the many different public land activities of predominantly local interest.

Within the MLR account, $77.6 million is requested for energy and minerals management, a $2.7 million decrease from the 1986 estimate. This is primarily due to lower workload demands for energy programs such as coal, geothermal, oil shale and tar sands. However, BLM's oil and gas program is proposed to increase by $3.9 million, which will allow processing of additional lease adjustments, the performance of diligence reviews on Indian lands and funding of costs associated with delegation of oil and gas inspection authority to individual states and Indian tribes.

The Oil Shale and Tar Sands Program will be terminated in 1987 due to declining industry interest in the development of existing leases and a lack of interest in new lease offerings. A decrease is proposed for coal leasing funds because of declining interest by the industry. The Wild Horse and Burro Program will emphasize decreasing long term maintenance costs by increasing adoptions in 1987. Cadastral surveys in Alaska have been reduced by $3.4 million.

To fund BLM implementation costs for proposed legislation to authorize the interchange of land management responsibility between the U.S. Forest Service and BLM, the budget includes a separate request for the MLR account of $3.4 million. Draft legislation for the interchange is expected to be submitted to the Congress this week now that there has been extensive consultation with the public, state and local officials and Members of Congress. Adoption of the proposed legislation will result in net savings of $32 million over five years.

An appropriation of $51.2 million is requested for operations for the O&C grant lands, a decrease of $2.2 million from the 1986 estimate. Major activities financed by this appropriation are construction and land acquisition support, facility maintenance, renewable resource management, and the maintenance of land use plans on commercially valuable forest lands in western Oregon.

The budget requests $105 million for Payments in Lieu of Taxes to local jurisdictions that contain Federal lands, providing full funding for this program. The budget requests $8.5 million for range improvement work. This request is based on a policy that would fund range improvements at 50 percent of the receipts collected from grazing on the public lands.

Beginning with 1987, timber receipts shared with O&C counties are proposed to be paid on a net revenue basis after deducting management costs. This proposal would divide the estimated cost of producing the receipts between the counties and the Federal government. The counties' estimated share of management costs for 1987 is $25 million resulting in a total payment of $40.1 million.

BLM estimates it will collect $254 million in receipts from timber sales, sales of lands and vegetation, grazing fees and miscellaneous other sources during 1987, an anticipated increase of $24 million over 1986. The major portion of the expected increase is from timber sales.

## Minerals Management Service

The Minerals Management Service (MMS) has responsibility for leasing and supervising the development of mineral resources on the Outer Continental Shelf (OCS) and for collecting and accounting for royalties and other mineral revenues due from Federal and Indian leases, both onshore and offshore. As one of the largest collectors of revenue for the Federal government, MMS will collect and account for $6.6 billion in Federal receipts in 1987, including $5.3 billion from OCS bonuses, rentals and royalties and $1.3 billion from onshore mineral leasing.

The 1987 budget estimate for the Minerals Management Service (MMS) is $711.8 million, a decrease of $29.6 million compared to the 1986 appropriation of $741.4 million. The 1987 estimate is a decrease of $23.2 million from the current 1986 estimate, which reflects the sequestration of $7.2 million in budget authority permanently cancelled under P.L. 99-177 (Gramm-Rudman-Hollings).

The total 1986 impact of P.L. 99-177 on MMS will be the permanent cancellation of $7.2 million in budget authority and an additional decrease of $23.9 million in spending authority for payments to states from receipts under the Mineral Leasing Act. The $23.9 million will not be paid during

1986, but will remain available in the future in accordance with and to the extent permitted by law. The effect on outlays is a 1986 decrease of $28.7 million.

The $160.3 million requested for annual program operations in 1987 is an increase of $0.5 million when compared to the 1986 estimate of $159.8 million. Within the 1987 level of funding, a net reduction totalling $1.8 million is proposed for the OCS leasing program, primarily due to lowered funding for environmental studies and reduced offshore operations. However, an increase of $0.9 million is included within the OCS program for acquisition of pre-lease geological and geophysical data from permits issued prior to 1986. Reductions totalling $0.5 million are proposed for the Royalty Management Program, due mainly to operational, maintenance, and lease cost savings resulting from installation of a new computer hardware system in 1986. The 1987 budget proposes $0.8 million to consolidate the MMS headquarters staff, which is currently located in five widely separated offices around the Washington, D.C. metropolitan area, in a single location. Additionally, increases are proposed for rental payments and proposed legislation to allow the Department to pay interest on refunds, totalling $0.8 million and $0.2 million respectively.

The 1987 estimate of $551.5 million for payments to states incorporates a proposal that net, rather than gross, receipts from mineral leasing revenues be shared with the states. Net receipts are derived by deducting the costs of generating the revenues. Currently, most states receive 50 percent of these revenues without deduction of any of the Federal costs incurred to produce the revenues. This receipts sharing proposal, which requires legislative approval, would reduce payments to states by an estimated $53.5 million in 1987.

The 1987 estimate for payments to the states is a reduction of $23.7 million from the 1986 estimate of $575.2 million, which includes a requested supplemental of $800,000 for interest payments. However, the 1986 estimate includes $23.9 million in budget authority that is to be sequestered by P.L. 99-177.

## Office of Surface Mining Reclamation and Enforcement

The Office of Surface Mining Reclamation and Enforcement (OSMRE) administers programs for the regulation of coal mining operations to protect the environment and for reclaiming lands damaged by past mining activity. OSMRE reviews, monitors, and assists state regulatory and reclamation programs to accomplish these objectives and carries out regulatory and reclamation activities in states that do not have approved programs and on Federal and tribal lands.

The 1987 budget estimate for OSMRE is $291.4 million, an increase of $0.1 million from the 1986 appropriation. The 1987 estimate is an increase of 12.6 million from the current 1986 estimate, which reflects sequestration of $12.5 million in budget authority permanently cancelled under P.L. 99-177 (Gramm-Rudman-Hollings). The $12.5 million in budget authority cancelled under P.L. 99-177 will result in 1986 outlay reductions of $4.6 million. For the Regulation and Technology appropriation, the 1987 budget requests $100.9 million, an increase of $19.4 million over the 1986 estimate. This increase will enable OSMRE to increase its financial and technical support for state regulatory programs and improve its Federal enforcement capability. Major increases include: $9.7 million for state regulatory grants; $3.3 million for improved regulatory and enforcement training for state and OSMRE staff; $3.9 million to expand OSMRE's applicant-violator system and design a comprehensive financial management system; and $3.0 million to implement a management improvement initiative to decentralize certain program and administrative functions from headquarters to field offices and technical centers. (An additional increase of $1.1 million for a total of $4.1 million for decentralization is included in the Abandoned Mine Reclamation Fund request.)

For the Abandoned Mine Reclamation (AML) Fund, the budget requests $190.5 million, a net decrease of $6.8 million from the 1986 estimate. The request includes $150.6 million for non-matching state reclamation grants, which is an increase of $1.2 million over the estimated 1986 level of support. The 1987 proposed funding level will provide full administrative support for the states and allow the states to initiate over 225 new construction projects.

Other major AML changes include decreases of $8.2 million for the Rural Abandoned Mine Program (RAMP) administered by the Soil Conservation Service of the Department of Agriculture, and $2.9 million for the Small Operator Assistance Program (SOAP). The $0.8 million requested for RAMP is sufficient to complete existing projects. No additional SOAP funds are needed because projected carryover balances of prior year appropriations are estimated to be sufficient to support the anticipated program level. A $0.8 million increase is requested for fee compliance to improve the collection of AML fees.

## Geological Survey

The major missions of the Geological Survey (GS) are to undertake research, fact finding, and mapping and to disseminate the resulting information to the public in order to improve upon the knowledge of the extent, distribution, and character of natural resources, and of the geologic processes, structure, and hazards that affect the development and use of the Nation's land and the physical environment.

The 1987 budget estimate for GS is $396.0 million, a decrease of $33.9 million from the 1986 enacted level of $429.9 million. The 1987 budget estimate is a decrease of $15.4 million from the 1986 estimate, which reflects the permanent cancellation of $18.5 million in budget authority under P.L. 99-177 (Gramm-Rudman-Hollings).

The total 1986 impact of P.L. 99-177 on the Geological Survey in the permanent cancellation of $18.5 million in budget authority and the additional sequestration of $3.5 million in obligational authority. The effect on outlays for GS is a 1986 decrease of $21 million.

The 1987 estimate includes $83.4 million for the national mapping program. Within this total, funds are requested to continue the transition from the existing analog cartographic production system to an advanced digital cartographic system that will take advantage of emerging computer technologies. Decreases are proposed for the primary mapping and revision, intermediate, small scale, special and image mapping and remote sensing applications research programs. The side-looking airborne radar program is proposed for elimination because the technology has been demonstrated and applications data can be acquired from the private sector as needed.

The estimate also includes $159.0 million for geologic research and investigations. Decreases are proposed in seismic monitoring and scientific investigations related to earthquake and landslide hazards, cooperative geologic mapping, geomagnetism, mineral, coal and geothermal resource investigations and offshore geologic surveys. The coastal erosion processes study begun in 1986 will be suspended.

The 1987 estimate includes $124.7 million for investigations to appraise the Nation's water resources and to assure that the water data necessary to develop and manage them effectively are available. This funding level will enhance the national water-quality assessment program begun in 1986 to provide water-quality data and analyses on major surface-water basins and ground-water systems.

Decreases are proposed in both the Federal and Federal/State cooperatively funded data collection and analyses programs, national water data and information access, regional aquifer analyses, core hydrologic research, improved instrumentation, nuclear waste hydrology and acid rain programs. Funding for the Water Resources Research Institutes and Grants Programs and associated administrative costs are also proposed at reduced levels.

## Bureau of Mines

The mission of the Bureau of Mines is to help ensure that the Nation has adequate and dependable mineral supplies for economic, security and other needs. Research is conducted to provide the technology for the extraction, processing, use, and recycling of the Nation's mineral resources at acceptable social, environmental, and economic costs. The Bureau also collects, analyzes, and publishes statistical and economic information on all phases of mineral resource development and analyzes the effects of public policy alternatives on mineral supply and demand.

The 1987 request for the Bureau of Mines is $107.6 million, a decrease of $26.3 million from the 1986 appropriation and a decrease of $20.6 million from the current 1986 estimate, which reflects the sequestration of $5.7 million in budget authority for the Mines and Minerals account permanently cancelled under P.L. 99-177 (Gramm-Rudman-Hollings).

The total 1986 impact of P.L. 99-177 on the Bureau of Mines is the permanent cancellation of $5.7 million in budget authority and the additional sequestration of $103,000 in spending authority for the Helium Fund. The effect on outlays for the Bureau is a 1986 decrease of $4 million.

The 1987 decrease results from bringing lower priority efforts to conclusion while focusing efforts on a select number of high priority research topics. The request includes $61.2 million for research in all phases of mining and mineral extraction and recycling; $26.6 million for the collection and analysis of data on minerals; and $19.3 million for general administration.

Funding is not requested for the 31 Mineral Institutes, resulting in a decrease of nearly $8.0 million. Grant funds appropriated in 1986 and prior years will support the basic programs of the Mineral Institutes through the 1986-7 academic year. Research grants will continue to support activities in the five generic minerals technology areas through 1988. In the future, it is proposed that the Institutes rely on funding from the states and private industry who are the primary beneficiaries of these programs.

## Fish and Wildlife Service

The mission of the Fish and Wildlife Service is to conserve, protect, and enhance certain fish and wildlife and their habitats. The Service manages the national wildlife refuge system of 433 units, 152 waterfowl production areas, and 58 management areas on more than 90 million acres. In addition, the Service currently manages 73 fish hatcheries throughout the country.

The 1987 budget estimate for the Service is $581.4 million, a decrease of $70.4 million compared to the 1986 appropriation of $651.8 million. The 1987 estimate is a decrease of $49.2 million below the current 1986 estimate which reflects the sequestration of $16.4 million in budget authority permanently cancelled under P.L. 99-177 (Gramm-Rudman-Hollings) and a proposed rescission of $5 million.

The total 1986 impact of P.L. 99-177 on the Fish and Wildlife Service is the permanent cancellation of $16.4 million in budget authority and an additional decrease of $11.5 million in spending authority and $192,000 in obligational authority from offsetting collections. The effect on outlays is a 1986 decrease of $17.7 million.

The request for Resource Management, the Service's principal operating account, is $285.1 million, $1.4 million below the 1986 estimate. Within the total funding level, some proposed new or expanded initiatives, such as studies of the effect of contaminants on fish and wildlife resources and operational activities for new wildlife refuges, are offset by certain activities that are lower priority, can be deferred, or that no longer fall within the mission of the Service. These include, for example, termination of three state grant programs (anadromous fish, endangered species, and Alaska subsistence).

Support for the operation and maintenance of national wildlife refuges will total $96.3 million, which includes $1.6 million for the operation of new and expanded refuges. Funding for Accelerated Refuge Maintenance Management (ARMM) totals $8.8 million compared to $17.8 million in 1986. This reduction reflects substantial early accomplishments to date in meeting maintenance needs, completed through additional Congressional funding during the first three years of the ARMM program and the two-year Jobs Bill program.

The lowest waterfowl breeding population recorded in the 31 years of surveys occurred in 1985. The estimated 1985 fall flight was 22 percent lower than 1984. Although the Service has already taken action in response to this decline, the 1987 budget requests an additional $5.1 million in its wildlife resources programs to further restore waterfowl population levels. This would be accomplished through methods to increase waterfowl production and research studies to determine non-hunting mortality factors that can be further minimized by habitat management practices.

The Service is continuing to actively monitor and evaluate the effects of environmental contaminants resulting from agricultural and industrial development on fish and wildlife resources and their habitats. Within its habitat resources programs, the Service is proposing $2.2 million to intensify evaluation of the most critical contaminant areas, expand monitoring of contaminant sources, and restore chemical analytical ability to Service laboratories.

Funding for endangered species will total $23.2 million in 1987 compared to $29 million in 1986. The largest single reduction, $4.2 million, results from termination of the state grant program. Endangered species recovery actions will be continued for the highest priority species. A reduction in Federal recovery actions for some species is proposed since certain projects will be completed in 1986 and others are now adequately funded through private and state sources. The budget proposes that the forensic laboratory, to be established with $1 million in 1986, will be operated in 1987 using receipts collected from port inspection fees.

The budget proposes $48 million for fishery resource programs, nearly the same amount as the 1986 estimate. The budget continues maintenance and restoration efforts of nationally significant, economically important fishery resources for which there is a clear Federal responsibility and role. In accordance with the recent redefinition of the roles and responsibilities of the Service's fisheries resources programs, the budget proposes to close or transfer to state operation six hatcheries supporting lower priority fish production that primarily stock private waters and to close aquaria and visitor facilities at six hatcheries. In addition, one-time maintenance funded in 1986 will be discontinued in 1987. These actions will result in a reduction of $2.1 million in 1987 in hatchery operations and maintenance.

An increase of $809,000 is proposed to continue mitigation efforts under the Lower Snake River Compensation Plan to restore steelhead and salmon stocks depleted as a result of water development projects on the Lower Snake River. An additional $214,000 is proposed to identify and quantify federal fishery resource related mitigation requirements and an increase of $110,000 is proposed to conduct an assessment of Great Lake fish stock in support of a settlement on Indian fishing rights. Reduction of $667,000 in fishery resources research and development is proposed as the result of one-time acquisition and completion of certain maintenance activities in 1986 and termination of experimental aquaculture demonstration activities at the National Fishery Center in Leetown, West Virginia.

The 1987 construction request for the Service totals $3.1 million compared to $18.4 million in the 1986 estimate. About $2.8 million will be used for dam safety. The remaining funds will be used for the continuation of advanced construction planning.

No funds are requested in 1987 for new land acquisitions from the Land and Water Conservation Fund (LWCF) or the Migratory Bird Conservation account. However, $1.5 million is requested to administer on-going acquisitions and an additional $16.5 million from the sale of duck stamps is estimated to be available for acquisitions in 1987, based on proposed legislation to increase the price of the duck stamp from $7.50 to $10.00. The $16.5 million will be used to acquire an estimated 24,800 acres of wetlands. During the past five years, considerable resources have been made available to the Fish and Wildlife Service for land acquisition. For example, between 1981 and 1985, $108.5 million has been obligated from the Migratory Bird Conservation account to acquire more than 235,000 acres of important migratory bird habitat. During the same period, $165.5 million from the LWCF has been used to acquire 160,694 acres of other valuable refuge lands. In addition, during this period donations of lands totalled 137,306 acres. In 1986, $287 million in new Migratory Bird Conservation funds and $33.7 million from the LWCF are available to continue these acquisitions. The LWCF amount reflects includes a proposed rescission in 1986 of $5.0 million of previously appropriated land acquisition funds. The rescission of these lower priority land acquisition projects will help meet overall deficit reduction goals.

The 1987 budget proposes $5.6 million in appropriations for payments to counties in lieu of taxes under the National Wildlife Refuge Fund, compared to $5.4 million in the 1986 estimate. Appropriated funds will be supplemented with prior year receipts (approximately $4.6 million) from the sale of timber, grazing privileges, oil, gas, minerals and from current user fees.

Both the Dingell-Johnson program of sport fish restoration grants and the Pittman-Robertson program of wildlife restoration will be fully funded in 1987. Payments under Dingell-Johnson are expected to increase by about $39.3 million over 1986 to $161.5 million, a level that represents more than four times the 1985 amount of $38.1 million.

Estimated payments under Pittman-Robertson are expected to decline in 1987 by about $25.8 million to $95 million, due to delays in reporting receipts and a one-time adjustment made by the Internal Revenue Service in 1986 that caused amounts available in 1986 to be higher than previously estimated. The 1987 estimate represents a return to a more typical level of collections. For both Dingell-Johnson and Pittman-Robertson, the states will receive a larger share of total funding because of a reduction in Federal costs of administering the two programs.

## National Park Service

The National Park System contains 337 areas which cover 79.4 million acres of land in 49 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam and the Northern Mariana Islands. The National Park Service has the dual responsibility of protecting the natural and cultural resources of these areas and providing for their use and enjoyment by the public. The Service also conducts a variety of programs that promote and assist outdoor recreation planning, preservation of cultural and natural resources, and environmental compliance and review along with other Federal agencies, state and local governments, and private organizations.

The total 1987 estimate for the National Park Service is $734.3 million, a decrease of $195.9 million compared to the 1986 appropriation of $930.2 million. The 1987 estimate is a decrease of $59.3 million from the current 1986 estimate, which reflects the sequestration of $39 million in budget and contract authority permanently cancelled under P.L. 99-177 (Gramm-Rudman-Hollings) and proposed rescissions of $111.2 million in budget and contract authority.

The total 1986 impact of P.L. 99-177 on the National Park Service is the permanent cancellation of $39 million in budget and contract authority, an additional decrease of $1.0 million in spending and obligation authority, and a loan limitation decrease of $0.1 million. The effect on outlays is a 1986 decrease of $25.6 million.

The 1987 budget request proposes increased funding for park operations through the enactment of legislation authorizing the Secretary of the

Interior to establish new, and increase existing, park entrance fees and to use the revenues from these fees to operate and maintain park areas. Under this proposal, 80 percent of all revenues generated from recreation fees would be available to the Park Service in a permanent account. The remaining 20 percent would be deposited in the Treasury. The legislation, if enacted, will provide additional financial support to the National Parks, to be derived from park users rather than the general taxpayer.

The 1987 appropriation request under current law for the Operation of the National Park System is $596.5 million. Under the proposed recreation fee legislation, an additional $59 million would be available, thus providing an overall increase for park operations of $44.8 million above the 1986 level.

The $59 million from recreation fees would provide a portion of the base funding for maintenance, repair and rehabilitation, and all base program funding for information publications, exhibit preservation and rehabilitation at Harpers Ferry Center, visitor transportation systems, fee collection costs, cultural and natural resource preservation programs, and Volunteers-in-Parks. The recreation fees will also provide funding increases of over $14 million for park operations and other increases for information publications, Volunteers-in-Parks and for increased costs of fee collections.

Proposed increases in the 1987 estimate include $3.8 million for fixed administrative expenses and $3.9 million for additional operational expenses for Ellis Island National Monument and Independence National Historical Park. Historic structures that are currently under restoration at Ellis Island National Monument will be reopened in 1987. The Park Service expects a significant increase in workload from anticipated higher visitation to the refurbished Statue of Liberty and Ellis Island sites and an expanded physical plant on the island will result in higher operating costs. Independence National Historical Park in Philadelphia, Pa. will be the focal point for a series of major events commemorating the bicentennial of the Constitution of the United States. Additional increases include $2.7 million to finance the cost of mining and minerals evaluation studies in Alaska to ensure compliance with existing laws and regulations, and $1.0 million to support the National Park Service's position in water rights litigation in several Western states. A decrease of $1.7 million in support for a number of private cultural and artistic institutions is proposed.

The 1987 request for National Recreation and Preservation is $9.5 million, $1.0 million less than the 1986 estimate. The Service is proposing to reduce the amount of Federal involvement in public recreation programs that are carried out at the state and local level as part of the overall effort to help reduce the Federal deficit. Accordingly, technical assistance to states and local governments for recreation programs will be reduced and technical assistance to states for river conservation will be eliminated.

The proposed budget for construction is $29.1 million, a decrease of $70.7 million. The amount requested includes $8.5 million to be derived from the Visitor Facilities Fund. A total of 8 projects in 7 parks will comprise the construction line item program for 1987, including 3 projects that will use monies transferred from the Visitor Facilities Fund. All projects address health and safety or resource protection objectives. The budget also includes a proposed rescission in 1986 of $13.6 million of 1986 and previously appropriated construction funds. The rescission of these lower priority construction projects will help meet overall deficit reduction goals.

The 1987 request to support the non-performing arts operations of the John F. Kennedy Center for the Performing Arts is $4.8 million, an increase of $0.2 million from the 1986 estimate.

A total of $15.3 million is requested for the Land Acquisition appropriation, a decrease of $23.1 million from the 1986 estimate. Within this level, $8.0 million will be available for emergency and hardship acquisitions and to pay anticipated deficiency court awards. Remaining funds will be used to administer ongoing acquisition actions and the close-out of Land and Water Conservation Fund State matching grants awarded in prior fiscal years. The budget also proposes in 1986 a $55.2 million rescission of lower priority land acquisition projects and state matching grants to assist in the goal of reducing Federal outlays. An additional $28.7 million in contract authority is also proposed for rescission.

No budget authority is requested for grants from the Historic Preservation Fund, a decrease of $5.2 million from the 1986 estimate. Beginning with the rescission of $18.5 million in 1986 funding, the Administration proposes to eliminate all direct Federal funding for the preservation of historic properties except for those properties that are part of the National Park System. Historic Preservation Fund grants to states are no longer vital to ensure that preservation activities continue. Federal support over the past 15 years has facilitated the establishment of a network of effectively functioning state preservation offices which can continue to operate without Federal assistance. The encouragement of private sector involvement in historic preservation through the enhancement of economic and tax incentives has been highly successful.

The 1987 request also eliminates direct Federal support for the Illinois and Michigan Canal National Heritage Corridor and the Jefferson National Expansion Memorial Commissions. In total, the two commissions were funded at $0.3 million in 1986.

The Administration is proposing a reauthorization of funding available from the Highway Trust Fund for park road projects. Under the proposed reauthorization, $75 million would be available for Park Service road projects in 1987.

## Bureau of Indian Affairs

The Bureau of Indian Affairs (BIA) is responsible for managing and protecting natural resources on 52 million acres of trust lands and for assisting tribes to serve nearly 800,000 American Indians and Alaska Natives. It provides community services, operates or provides financial support to operate schools, maintains law enforcement systems, makes welfare payments, and assists in farming, ranching, forestry and mining. These services are provided directly by the Bureau and through self-determination contracts with over 300 tribes.

The Bureau's budget is the largest in the Department, comprising 21 percent of the current appropriations requested in 1987. The request of $1.455 billion for BIA includes $924.7 million in direct Federal appropriations and $530.6 million in permanent appropriations and trust funds.

The 1987 budget estimate of $1.455 billion for BIA is a decrease of $44.5 million compared to the 1986 appropriation of $1.5 billion. The 1987 estimate is a decrease of $27.6 million from the current 1986 estimate which reflects the sequestration of $43.4 million in budget authority permanently cancelled under P.L. 99-177 (Gramm-Rudman-Hollings), and a request of $26.5 million for supplemental funds to repay 1985 fire suppression costs and meet the terms of a settlement involving Indian fishing rights in Michigan.

The total impact of P.L. 99-177 on the Bureau of Indian Affairs is permanent cancellation of $43.4 million in budget authority, an additional decrease of $2.5 million in 1986 spending and obligational authority, and a loan limitation decrease of $3.4 million. The effect on outlays for BIA is a 1986 decrease of $34.8 million.

The program operations portion of the budget is $862 million, $7 million above the 1986 estimate. This increase is the net difference resulting from several program changes. The major change in this account is the transfer of funds to the Department of Education's Indian Education Appropriation of the Johnson-O'Malley program which will provide $22.1 million in 1986 for Indian children in public schools. Conversely, Department of Education funds ($11.5 million) that have been provided to BIA funded schools for special enrichment programs and pilot and demonstration projects in past years are proposed to be transferred to BIA in 1987 for the same purposes. Under this proposal, the Department of Education would be responsible for Indian students in public schools and BIA would be responsible for Indian students in BIA supported schools.

While most Bureau operating programs would increase between the 1986 estimate and the 1987 request, some are proposed for reduction. The largest reduction is $12.4 million for financial support of programs in Alaska where several efforts are being reduced or eliminated. This proposed reduction will be partially offset by an increase of $2.5 million to accelerate surveys of Alaska Native allotments. Given the improvement in the State's economy which has benefitted Native economic status, the absence of large blocks of trust land holdings that the United States has statutory responsibility to manage, and the absence of any tribal treaty rights to be protected, the Administration believes that Alaska Natives no longer require the levels of financial support that the Federal Government provided in the past. In the recent past, the State has taken on greater responsibility for serving Alaska Natives with educational and welfare assistance programs. Moreover, Alaska has only one reservation; over 30 percent of Alaska Natives live in urban areas, and the remainder in villages, which can receive revenue sharing under Alaska State law to meet their needs.

The budget proposes other decreases in operating programs including the elimination of one-time emergency assistance of $5.7 million provided to Indian livestock operators in 1986, and a $3.5 million decrease for self-determination grants.

The budget includes proposals that will benefit tribes. Tribal programs reflecting priorities at the local level are displayed separately in budget documents for the first time. Tribes have a choice on how funds are spent at the local level, setting funding priorities among the numerous Bureau programs carried out on reservations. A majority of these programs are operated by tribes under contract with the bureau. Potentially, this new budget arrangement will give tribes greater flexibility in the use of these funds, which total $295 million. Excluding the Alaska reductions and the reduction of self-determination grants, an increase of about $10 million is requested in these funds.

Those tribes that initiate new contracts to operate BIA-funded programs will also benefit from the $7.6 million (an increase of $5.7 million) being requested to cover indirect costs associated with such contracts.

The BIA construction budget totals $59.2 million in 1987. These funds will be use to correct unsafe conditions in schools, repair houses, rehabilitate hazardous dams, and meet the Federal Government's commitment for the Papago water rights settlement. Under the proposed reauthorization of road construction funding available from the Highway Trust Fund, $75 million would be available for BIA road projects in 1987.

Permanent appropriations and trust funds are estimated to be $532 million in 1987, an increase of approximately $39 million from 1986. The major change in receipt estimates is an increase of $25 million in the amounts paid to Indian tribes and individuals in settlement of claims against the Government. Receipts from timber fees are expected to increase by $10 million. Oil and gas receipts will increase by about $1 million. Other receipts increases occur as the result of irrigation and power charges and from the use of government quarters.

## Office of Territorial and International Affairs

The Assistant Secretary for Territorial and International Affairs carries out the responsibilities of the Secretary for the U.S. Territories of American Samoa, Guam, the Northern Mariana Islands and the Virgin Islands, as well as for the Trust Territory of the Pacific Islands and the freely associated states of the Republic of the Marshall Islands and the Federated States of Micronesia (FSM). The objectives of the Office of Territorial and International Affairs are to promote the political, economic and social development of the territories and direct each toward greater self-government and self-reliance. In the case of the freely associated states, the objective is to administer and supervise continuing Federal programs and funds provided under the recently enacted Compact of Free Association (P.L. 99-239).

The 1987 request totals $283.8 million in comparison to current 1986 appropriations of $219.8 million. However, the 1987 request is a reduction of $197.4 from the current 1986 estimate of $481.3 million, which reflects a requested supplemental appropriation of $270.9 million and sequestration of $9.5 million in budget authority permanently cancelled under P.L. 99-177 (Gramm-Rudman-Hollings).

The 1987 request for administration of the U.S. Territories is $71.5 million, a decrease of $8.3 million from the current 1986 estimate. The request includes $20.7 million for an operations grants to American Samoa (an increase of $1 million) and $9.1 million for construction projects in Guam, American Samoa, and the Virgin Islands (a decrease of $5.9 million). Technical assistance funding is proposed at $2.2 million, a decrease of $2.5 million, and loan assistance for the Guam Power Authority will decrease $6.5 million to $1.6 million. The covenant grant for Northern Mariana Islands operations and capital development is proposed to be $35.3 million, an increase of $8.8 million. The budget reflects a policy of encouraging increased private sector participation in territorial development, while enhancing government efficiency and encouraging economic diversification of the islands.

An estimated $55 million will be provided to Guam and the Virgin Islands from anticipated Federal collections of income and excise taxes. This payment will be a decrease of $2.4 million from the 1986 estimate of $57.4 million.

Approximately $13 million is requested for 1987 to fund the Trust Territory of the Pacific Islands, which is a decrease of $63.4 million from the 1986 estimate. However, almost all of the decrease is attributable to the fact that funding for the Republic of the Marshall Islands and the FSM is no longer included in this account. The $13 million requested for 1987 will provide $10.6 million for the Republic of Palau (an increase of $0.5 million) and $2.5 million for Trust Territory operations (a decrease of $2.7 million).

The budget requests $270.9 million in a 1986 supplemental and $144.3 million in 1987 funding to implement the Compact of Free Association. Approximately $181 million of the 1986 request reflects one-time funding provided during the first year of Compact implementation. Payments under the Compact during 1986 and 1987 are the first two of 15 annual payments to the Marshall Islands and to the FSM that will eventually total approximately $2.3 billion.

## Secretarial Offices

The budget requests for Secretarial offices total $80.7 million. This is a decrease of $0.7 million from the enacted 1986 appropriations for these offices, but an increase of $2.8 million from the current 1986 estimates, which reflect sequestration of $3.5 million under P.L. 99-177.

Within the $80.7 million total, the Office of the Secretary, which provides executive direction and management for the Department, is funded at $43.6 million; the Office of the Solicitor, which provides legal services for all components of the Department, at $20.8 million; and the Office of the Inspector General at $16.3 million.

## Conclusion

In conclusion, Mr. Chairman, I believe this is a good budget which should be approved by the Congress. This budget fairly meets our responsibilities and does not ignore our pressing needs. It helps put the overall Federal budget on a course of steadily declining deficits leading to a balanced budget.

I will be happy to answer any questions that you have at this time.

## SUMMARY STATEMENT

Secretary HODEL. Thank you, Mr. Chairman. I have had the opportunity to testify before you in a different capacity but on this same budget, so I will not bore you with details about this budget. Just let me emphasize again that early on, recognizing the budget's difficulties, I did make the decision that we would approach this budget in an effort to support the operations within the Department of the Interior, and if, in order to do that, it was necessary to seek to cut certain items, we would propose to do that, recognizing that the Congress might well conclude that it had a different set of priorities. That is what we have done. In fact, if we are successful in our submissions with regard to park entrance fee legislation, it would be possible for the entire set of bureaus within the Department to have at least the same level of operating expense or greater in fiscal year 1987 that they have in 1986.

## WALLOP-BREAUX FUND

Mr. Chairman, the one thing I did make a note to myself to emphasize was that this year we have not proposed that the Wallop-Breaux fund be reduced even though it means that account will have increased over the last 2 years by 324 percent compared to 2 years ago. I just learned my lesson last year.

Senator MCCLURE. Thank you, Mr. Secretary. I am absolutely overwhelmed.

## ESTIMATES OF ECONOMICALLY RECOVERABLE OUTER CONTINENTAL SHELF RESOURCES

Early last year the Minerals Management Service [MMS] released a report estimating the undiscovered economically recoverable oil and gas resources for the Outer Continental Shelf [OCS]. This analysis revised downward the 1981 U.S. Geological Survey [USGS] estimates by 55 percent for oil and 44 percent for gas.

In the fiscal year 1986 continuing resolution, Congress requested that MMS be the lead agency with the Geological Survey in preparing another resource estimate scheduled for release sometime in 1987. Congress doesn't want two separate agencies within the Department of the Interior releasing conflicting estimates of oil and gas resources.

Can you explain how the Department will carry out these instructions and when the next estimate will be released?

Secretary HODEL. Mr. Chairman, I do not know when the next estimate will be released, but I am advised that the Minerals Management Service and the Geological Survey have worked out an arrangement whereby MMS will take the lead, and we will have a coordinated projection put out by the Department so we won't have the competing estimates.

As you know, there are vastly different estimating techniques that are used, sometimes affected by the purposes for which the estimates are made. Geological Survey has had a tendency, I believe, to estimate what they think is there in terms of barrels of oil. Minerals Management Service, because it is in the business of leasing, tends to look at what is there within a certain range of economic expectations. They may not be the same. There may be 100 million barrels of oil there, but only 50 million barrels of oil at any of the projected prices, and you end up with these two.

Senator McCLURE. Isn't it possible to report both sets of figures and explain the difference?

Secretary HODEL. Yes; I think it will be important, if we do that, however, to explain that this is based on certain different views, which is a useful tool

### OUTER CONTINENTAL SHELF NEGOTIATIONS WITH CALIFORNIA DELEGATION

Senator McCLURE. In the continuing resolution Congress mandated that the Secretary of the Interior negotiate with members of the California delegation and members from appropriate committees on the development of Federal waters off the coast of California.

It was Congress' intent that these negotiations provide the Secretary the appropriate range of advice as you seek a consensus on this issue. During these negotiations, however, Congress gave the Department the authority to proceed with preliminary sales steps, including a call for information and nominations for OCS lease sales.

As a member of the negotiating team, I would like to compliment the fine work the Department has done, and I do mean that most sincerely. I think you and your representatives have been valuable additions to that negotiating process in providing information and commentary as the negotiations have gone forward.

I would like to give you an opportunity here today and on the record to comment on the status of the negotiations and what direction you see the negotiations going, if any as yet.

Secretary HODEL. Mr. Chairman, at the risk of this sounding like a mutual admiration society, I have said on a number of occasions, and I say again here, that having been through a set of negotiations 1 year ago, these have been particularly fruitful. I have especially appreciated your participation, and now as cochairman of the effort, the contribution you have made has been extremely important in keeping this process alive.

As I need not tell you, but I think for the record it is important for me to emphasize, this is an extremely difficult issue. It is one on which representatives of California have enormous amounts of constituent pressure, which basically says to them agree to nothing, participate in no way in any kind of modification. That would be the easiest thing for them to do. I recognize that even their participation in this process subjects some of them to certain amounts of political criticism, public criticism, and some political jeopardy.

The current status is that we have had several meetings.

The first meeting, frankly, was primarily dealing with the scope and the direction of the negotiations.

The second meeting followed that agenda to some considerable extent.

The next meeting was one in which the Department presented its analysis of the facts and figures that were available, and it is my understanding that the upcoming meeting in a couple of weeks will be one in which we hear from spokesmen for environmental and industry groups.

There is one that I skipped, which was when the State and local governments came in and presented their points of view.

So we are getting a wide range of viewpoints.

It seems to me that, as with any negotiation, you can never tell how it is going to come out until it comes out. The hour before the final settlement in most negotiations sometimes looks as dark as any, and yet I would say we have made great progress, more progress than I think we might have hoped when we began the process. I am encouraged.

It seems to me that some of the suggestions and discussions were that instead of going on a kind of tract-by-tract restriction, we should be looking for some other means of protecting against the concerns that are foremost on their agenda. This holds some hope, the idea that perhaps some kind of restriction on the level of activity at any given time may make more sense and may be more salable than a tract kind of approach.

I don't know that those will bear fruit, but I am encouraged that the discussions have opened up those opportunities.

Senator McClure. What is the status of the call for information and the nominations?

### OCS SALE 91—CALL FOR INFORMATION

Secretary Hodel. I believe it was February that we went forward with a call for information on sale 91 off northern California. The reason for that was that in the schedule of the draft 5-year plan sale 91 is scheduled for April 1988.

In order to begin to collect the information, which was recognized in the language which you referenced earlier in your question, it was necessary for us to begin the call for information process on that sale. I say unfortunately, because it is always a matter of concern.

Southern California sale No. 95 is scheduled for May 1988, and the call for information is scheduled for May 1986. So while you and I and others are still in these negotiations, we expect to be going out with a call for information.

I have to anticipate that there will be considerable unrest over that call, and, in fact, a number of sources in California have indicated that they would probably seek to litigate the call.

### EXPECTED COMPLETION OF OCS NEGOTIATIONS

Senator McClure. If the negotiations are successful and end up with some kind of a positive result, what timetable should the negotiations follow in order to include the results in the new 5-year plan?

Secretary HODEL. The optimum would be to complete the negotiations by the end of May or some time in June of this year, in which case, any conclusions reached would flow very conveniently into the 5-year plan process. We are now in the process of reviewing the 5-year proposal and changing it for our final submission to the Congress next year.

Obviously, if some slippage occurred, but we were able to put something together, we could, with increasing difficulty, from that time forward add it to the 5-year plan.

### SEQUESTRATION OF RECEIPTS FROM LEASING FEDERAL LANDS

Senator MCCLURE. In accordance with the provisions of the Deficit Control Act of 1985, $23,900,000 of payments to States from receipts generated from leasing on Federal lands has been sequestered. According to your justification, these funds will remain in the account and will be available at a future date to the extent permitted by law.

The General Accounting Office [GAO] has determined that the sequestration of these funds is legal, although many Members of Congress disagree with that conclusion. Therefore, these funds will not be distributed to the States but will not go to the Federal Treasury because the Mineral Leasing Act of 1920 requires that States receive 50 percent of the revenues.

What is the current status of these funds and what are the Department's plans?

Secretary HODEL. Mr. Chairman, my understanding is exactly as you have stated it. We anticipate that the funds will not be distributed under the sequestration restrictions of Gramm-Rudman-Hollings during this time. As you say, they don't go into the Federal Treasury although they will be escrowed there, and eventually the funds will be freed up and distributed to the States.

Senator MCCLURE. Is the Department looking for a further clarification of the law to distribute those funds or to at least put them in an interest-bearing account?

Secretary HODEL. I don't know that we are actively seeking a change in the law.

If I may expand on that, Mr. Itteilag, who is our budget officer, advised me that, in fact, his office has been talking to the Office of Management and Budget about clarification, which we presently think would probably require legislative action. At this point, Mr. Chairman, all I can say is that it has been discussed at the staff level.

Senator MCCLURE. Thank you.

### RELATIONSHIP BETWEEN OFFICE OF SURFACE MINING AND THE SECRETARY'S OFFICE

The Office of Surface Mining [OSM] has worked closely with the Secretary's office in the development of the management action plan [MAP] now in draft form at OSM.

Will the working relationship between your office and OSM be as close as the MAP moves toward implementation?

Secretary HODEL. Mr. Chairman, it would be my hope that the management of the Office of Surface Mining Reclamation and Enforcment will be returned to what I will call a more normal management relationship with my office. The Under Secretary, as the chief operating officer, usually reviews the month-to-month management-by-objective [MBO] activities of each of these bureaus, and I become involved on a case-by-case basis as some problem arises which may involve the Secretarial level.

To this stage, it has been very actively a part of my office through my counsellor, Earl Gjelde. When I came in, one of the serious areas of concern was the Office of Surface Mining Reclamation and Enforcement. So I would expect to retain a close relationship through the Under Secretary, but if we get things on track, presumably the MBO process will provide the day-to-day management.

Senator MCCLURE. Mr. Secretary, I thank you for your answer. I am going to turn the meeting over to Senator Stevens, who has a few questions. There will, of course, be some questions to submit for response in writing for the record. I appreciate your attendance.

Secretary HODEL. Thank you, Mr. Chairman.

Senator MCCLURE. Thank you, Senator Stevens, for taking the gavel.

Senator STEVENS [presiding]. Thank you very much, Mr. Chairman.

### TERMINATION OF BUREAU OF INDIAN AFFAIRS ACTIVITIES IN ALASKA

Mr. Secretary, I welcome you here. I would like to ask you some questions for the record because of the concern expressed by Alaskans regarding the budget of this year.

Your Department proposes to terminate many of the activities of the Bureau of Indian Affairs [BIA] in Alaska. Apparently, your Department has determined that Alaska Natives may be denied services that are available to other federally recognized tribes and Indian entities in what we call the south 48.

Was that a decided departure from the past? Has there been a new decision by the Department or by the administration with regard to the relationship of the Federal Government to Alaska Natives?

Secretary HODEL. Senator, I know of your concern on this matter, and I can explain to you the rationale. I am not sure that I can persuade you that it is an appropriate rationale.

The rationale that supported our budget submission was actually based on a number of things. The State of Alaska has assumed responsibility for quite a number of assistance and service activities to Natives in Alaska: BIA schools were transferred to the State; some welfare assistance is now provided by the State. Yet many Alaska Natives are living in urban areas where there are municipal resources available and others are living in village corporation areas or villages where they can share in the revenue sharing under Alaska State law.

It was our belief and our hope that these and some other considerations would not require the same kind of all-encompassing oversight and provisions of services that occur for Indians who are living on reservations.

### BIA FUNDS FOR ALASKA

Senator STEVENS. I note that the Department requested bill language which would specifically limit the amount of money that could be spent in Alaska for BIA functions. To my knowledge, there is no such language that applies to any other State in the Union. I am compelled to ask whether it is the position of the Department that if that language is not in the law, Alaska Natives could then sue the Department and the BIA for the additional funds which they claim they are entitled to.

Secretary HODEL. Mr. Chairman, it is my understanding that that is intended to be protective language to eliminate the question of whether they could be sued. I don't suggest that we are predicting the outcome, but it would eliminate the question.

Senator STEVENS. Our State has been very progressive in assuming additional functions as far as the Native people are concerned. I participated in the decision that led to the change as far as the general welfare programs of the BIA were concerned, and those changes were made in a transition period over a period of years following statehood. I don't think it has ever been determined that the Alaska Natives have a different relationship with the Federal Government than the Indians who reside in the south 48. It appears that you are really attempting to establish a means test for assistance to Alaska Natives. Is that your desire?

Secretary HODEL. Senator, I cannot affirm that. That is not the understanding that I have. There are some differences. The United States does not have treaties with Alaska Natives. We only have one reservation that I'm aware of in Alaska. So there are some obvious differences. Whether those constitute a justification or a basis for the proposal I am really not able to determine, but it seems to me there are some differences. In the preparation of this budget it seemed that this kind of reduction was something that could be maintained.

Senator STEVENS. The Department is imposing on Alaska Natives a different standard because of the lack of reservations in Alaska.

Over the period of territorial status and the first years of statehood, it was the position of your Department that Alaska should not have reservations. I assisted in establishing that policy, so that we would not have these enclaves within our new State. Now the Department is using the lack of reservations as a justification for denying Alaska Natives assistance to which they would be entitled without any question under Federal law if reservations had been established.

As you know, there is a considerable controversy in our State over the so-called sovereignty issue. Many of the Alaska Native leaders are now seeking to establish the functional equivalent of reservations through internal action of the tribes and villages themselves.

I seriously question the direction that the Department is taking, Mr. Secretary. I think it is going to lead to vexatious litigation, and I think that if a means test were applied to the Alaska Natives who live in villages, and many of the urban ones, as a matter of fact, it would be found that they have the highest rate of unemployment, the highest rate of suicide, and the lowest per capita income of American Indians.

I don't quite understand what is happening. Apparently, the Department is looking at one of two things: Either the money that was transferred to Native corporations as part of the land claims settlement which Congress and the administration specifically decreed would be managed in a way so that a series of generations would participate in the settlement, thereby denying any per capita distribution to those who are alive now, or the State's income, which we all know from the developments in the last month is very fragile due to the decline in world oil prices.

At a time when Alaska's income is being reduced literally by the hundreds of millions of dollars due to the fall in oil prices, the Department seems to be assuming either that the Alaska Natives can somehow get money out of their corporations, contrary to the intention of Congress, or that they can get money from the State government, which frankly doesn't have the needed additional income.

## NEW BUDGET POLICIES FOR ALASKA NATIVES

I wonder what the impact will be on Alaska Natives as a result of these new policies that are in the budget.

I thank you for the time that you and Secretary Swimmer took to visit with me personally when I discovered these new policies.

As you know, I was part of your Department for 5 years and I have been connected with the State of Alaska almost continually since statehood as far as the development of Indian policy is concerned. This is the first time that there was no consultation whatsoever with the Alaska congressional delegation before the Department made an abrupt change in its policies.

Were there consultations with the State government on this new policy?

Secretary HODEL. My advice is that we have not had specific consultations with the State on all of the proposed program funding reductions, but that we have had many general and preliminary discussions about the direction we were headed.

I am not sure, Mr. Chairman, that the $12 million that we are talking about here, which represents nearly a 40-percent reduction, is something that we would have discussed in detail with the State. I don't know what the relationship in the past has been. I suspect that it may very well have been one of those items that, in the final crunching of putting the budget together, was one of the last items that could be identified as a possible place to provide the funding cuts.

## INDIAN HEALTH SERVICE LIMITATIONS ON ALASKA NATIVES

Senator STEVENS. I am intrigued by it, because now we have discovered that the new policy carries over into the Indian Health Service, and there is a general drift, as far as the budget is concerned, to place restrictions on the Federal Government's relationship to the Alaska Natives.

The $12 million is a symptom of the problem, in my opinion. I think Alaskans, including Alaska Natives, are fully cognizant of what is going on here in terms of the attempt to control the deficit. They expected some reductions.

## BIA BUDGET SAVINGS TO BE APPLIED TO 638 PROGRAM

I was just in Juneau 1 week ago and met with quite a few people there. I found that the State and the Native leaders had been working with the BIA to develop a new program that would restructure the BIA offices in Alaska. This program was intended to reduce the number of BIA employees in Alaska, take a portion of the money dedicated to these administrative expenses, and transfer it to self-determination contract programs so that there would actually be greater self-determination with a substantial savings to the Federal Government. When that proposal was sent down here your budget people deleted all the people from BIA but did not put the money saved back into the 638 program.

It appears to me that there is a philosophical difference sneaking in here in terms of the relationship of the Federal Government to Alaska Natives compared to the relationship to American Indians in the south 48.

That bothers me. This program that was worked up in Alaska was, I think, unique in that it resulted from a series of consultations between an Alaska Native task force, the Alaska State government, and some of our people in the congressional delegation, together with representatives of the Bureau. But when it got back here it just went completely awry. The money saved by the reduction in personnel was cut out entirely. Now those young leaders who stepped out in front, you might say, of their own people and decided that we should have a change and not rely exclusively upon BIA administration, but instead have simply a policy direction from BIA and a 638 contracting relationship are in trouble at home.

I have got to tell you that this new program would have saved the Federal Government substantial money in travel, if nothing else. People, trained to provide the services that the BIA has provided on a statewide basis, are already in place in regional centers in Alaska.

It was a good proposal, but it has been killed now by this budget. There is a feeling in the State legislature that this represents, as I said, a philosophical change with regard to Alaska.

I have got to tell you, Mr. Secretary, I am going to oppose any bill language limiting the expenditure of BIA money in Alaska. I am also going to seek a readjustment of the budget in this area. It is going to be very difficult, as I told you when I met with you personally, because of the ceiling limitations imposed on the subcommittee. Nevertheless, I think the administration's proposal represents an abrupt transition, and sends a signal that is going to be totally misread in Alaska Native villages.

### ALASKA REGIONAL CORPORATIONS

I would hope that you would grant one request, and that is that we get some of your policy level people to go back to the villages in Alaska. I think they have been spending too much time with Brooks Brothers suit people in regional corporation board rooms. Congress directed that regional corporations manage the assets transferred pursuant to the 1971 settlement to avoid the difficulties we ran into in the settlement of land claims in the south 48 where the generation that received the settlement wasted it immediately.

I remember chairing some hearings in the early 1970's where young people from the Rocky Mountain area asserted that they had a right to sue the United States because the United States had let their fathers and grandfathers take control of substantial land holdings and cash when they did not have the ability to manage either. In order to avoid that, we established regional corporations, gave the subsurface rights to those corporations, left the villages in control of the surface and a small portion of the settlement money, and provided that the settlement would be managed to last a period of years. As you know, we prevented the sale or transfer of regional and village corporation stock for 20 years.

We definitely were trying to stretch that settlement over a period of generations so that many generations would share in the benefits from the rather generous settlement that we were able to get approved during the Nixon administration.

Now it appears that the Department is implying that if these people need assistance they should somehow or other go against the intent of Congress by pulling money out of the corporations and by using this money not for normal investment concepts, but for governmental purposes to meet the welfare and other needs of their regions.

### INTERIOR'S POLICY SHIFT ON ALASKA

This is the philosophical dispute that I think is coming up now between your Department and our State. The three of us who represent the State in Congress all agree on one thing: That this is a departure that has taken us by surprise and is going to cause great difficulty for the administration in Alaska in terms of administration of your responsibilities if we can't get some understanding of where we are going.

I would urge you to review it.

I am sorry to take the time here, but I really want to try and make it a matter of record and to serve notice. Not only on you. You are a good friend personally and you have been a good friend to the State in your administration and in the positions you have held in this administration. But this is such a serious departure from traditional Department practices that it raises real questions as to the credibility of those of us who backed the policies of transition in the past. It is such an abrupt change, it just cannot be absorbed in the way it has been presented.

Secretary HODEL. Mr. Chairman, if I could comment on a number of things you have said. Let me emphasize that the significance of the proposed budget cut was made greatly more apparent to me when you visited with me and with Assistant Secretary Swimmer. Since that time, I have not had a report back from him, but I understand that he has been pursuing some of the avenues that were discussed in that meeting.

I am interested by the report you provided here about the proposals which would have put more money into the 638 account and diminished the number of employees. This is not my first experience. When I was Under Secretary, I had a sad experience similar to what you have identified here—where I found out that we said on the one hand we were going to reduce the expenditures for the administrative expense, put the money into 638, and then the money wasn't in the 638 account. This is just a replay of that.

That is not a responsible way to deal with people, in my estimation, and I think it does affect not your credibility, but ours, and I do want to pursue that. I have made a note to myself here.

I understand your concerns about the matter and I take very seriously your urging me to review it. I will try to find out to the best of my ability whether or not, in fact, we do have a philosophical dispute. It is not an articulated one at this stage—if there is a philosophical problem here.

I think what I hear you saying is that these budget proposals may manifest perhaps an unspoken, unarticulated shift in philosophy possibly based on the very thing that we had a policy against—reservations. Frankly, in view of how unsuccessful we have been in dealing with Indians in reservation structures, that wasn't an unreasonable approach. But if we then turn around and use that as a justification for reducing all further Federal support, it does raise the whole question about its basic purpose.

I hear you, and I appreciate your comments, and I certainly recognize your concerns. I will try to see if we can't find some better response. I understand where this puts you and the rest of the delegation.

Senator STEVENS. I would appreciate that. The apparent support that such an abrupt change gives to those who have argued for years and now are arguing again for the establishment of reservations in Alaska is very disturbing. I don't think the responsible Native leadership wants additional reservations in the State. We do not want that either. But if it is determined by the Federal Government that in order to be eligible for the assistance that is currently available from the Federal Government, Alaska Natives must reside on reservations, then we will have reached a catch 22 in our relationship, and we will have to reconsider the State policy toward reservations on a matter of necessity.

The Federal Government, with its long history of relations with American Indians, can do many things in guiding young Indians, assisting them with their education, and helping them achieve. I do not think a State can do these things as well. Be it Oregon or Oklahoma or Alaska, there is a role here for national policy that promotes self-improvement and self-determination for Alaska Natives and American Indians, as a whole. I think that you have a uniquely sensitive role to play in this area.

It is not expense; it is not large money; it is really national policy I am talking about. Whether we like it or not, in most Indian areas there is a reluctance on the part of the local people to accept the fact that some native Americans deserve a little bit more assistance than the population in general. I think the Federal Government can provide that assistance, whereas the State government in many instances cannot justify such action.

As a matter of fact, our State constitution prohibits the establishment of special Indian programs. Under the Federal Constitution, Congress is fully authorized to pursue a special relationship with the Indian tribes. Your Department has a fantastic history in that regard.

I have belabored the point, but I really think there is no question that we have got ourselves into a position now where we need to know if this is a philosophical change and if it is a decided change in policy as far as the administration is concerned.

I would appreciate it if you could help us make that plain one way or the other.

I do thank you for coming. I am sorry to have kept you.

## ADDITIONAL COMMITTEE QUESTIONS

There will be some additional questions from Senators which we will submit for your response to the record.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

### *New 5-Year Offshore Oil and Gas Leasing Program*

Question: In the Continuing Resolution, Congress mandated that the Secretary of Interior negotiate with members of the California delegation and members from appropriate committees on the development of Federal waters off the coast of California. It was Congress' intent that these negotiations provide the Secretary the appropriate range of advice as you seek a consensus on this issue. During these negotiations, however, Congress gave the Department the authority to proceed with preliminary sales steps including a Call for Information, and Nominations for OCS lease sales.

In order to include the results of the negotiations in the new 5-year plan, what timetable should the negotiations follow?

Answer: The schedule for incorporting the results of the subject negotiations should parallel that for incorporating comments on the 5-Year Proposed Program. Both activities will exert a significant influence on the final Secretarial Issue Document options to be analyzed pursuant to Section 18 of the OCS Lands Act and the Environmental Impact Statement alternatives to be analyzed under the National Environmental Policy Act. Incorporation of comments on the 5-year plan should be completed by May 1986. Under the current timetable, any agreement reached under negotiations on the 5-year plan should also be incorporated at that time. This will allow for the completion of the revised section 18 analysis in time for transmittal to the Congress and the President in early 1987. This schedule will permit approval of the new program in time to prevent a lapse between the current and the new program.

Question: Please provide for the record the additional flexibility the Department of the Interior would have if an OCS agreement is included in the 5-year plan as opposed to legislating the agreement.

Answer: Inclusion of an OCS agreement in the 5-year plan provides the Department with greater flexibility. Adjustments and amendments to the 5-year OCS leasing plan (as provided for in Section 18(e) of the OCS Lands Act) can be accomplished administratively through established procedures much more easily than amendments can be made to legislation. It may well happen that circumstances which arise during the 5-year term of the plan would prompt adjustments to the agreement (portions added, removed, redistributed, or new conditions provided). If the subject agreement were part of the plan, such adjustments could be made timely with the provision of Section 18(e) of the OCS Lands Act. However, significant delays would be expected if changes were needed under any agreement included as part of enacted legislation.

### Bureau of Mines Budget Request

**Question:** On several items, year in and year out, the Department makes many of the same requests. For example, you proposed to deduct onshore leasing costs of MMS, BLM, and the Forest Service from the Federal onshore mineral leasing receipts before receipts are distributed between the Treasury and the States.

This is at least the fourth year you have made this proposal, and it will probably be the fourth year Congress will reject it.

Another example is the request for the Bureau of Mines. In both the fiscal year 1986 and 1987 requests the Bureau of Mines request included a much larger percentage reduction than for the rest of the Department. In both years, Congress has rejected those budgets and essentially restored the funding to the previous year's level.

How many times will Congress need to reject this idea before you give up and propose something else?

Answer: The Bureau of Mines has the smallest annual appropriation of any bureau in the Department. Therefore, even though the FY 1987 Budget recommendations for four other bureaus each propose significantly larger dollar level reductions from the current fiscal year 1986 estimates than does the recommended 1987 level for the Bureau of Mines, the Bureau of Mines recommendation does show the largest percentage reduction. The reductions proposed have historically been in four areas: Health and Safety Technology research, development and demonstration projects in all research areas, funding for the Idaho National Engineering Laboratory, and funding for the Mineral Institute Program. The reasons for proposing reductions in these areas differ from each other, but have been consistent from year to year.

In Health and Safety Technology, there is less need for continuing to fund a high level of research effort in the face of declining rates of accidental deaths and injuries. Despite the regretable Wilberg Fire in 1984, the number of coal mining fatalities has averaged less than one hundred for the last three years, a forty percent reduction from the rates experienced ten years before. The rate of accidental injuries has also declined to the point where the rate for coal mining, once one of the most dangerous occupations, is now about twenty percent less than the rate for all private sector occupations was in 1980. Clearly, this is progress that all concerned -- the Bureau of Mines, the Mine Safety and Health Administration, State regulatory agencies, mine operators, mine unions, and the miners themselves -- can take considerable pride in. Despite these impressive improvements, there continues to be a need for research on the most serious remaining health and safety problems, and the budget provides adequate funding to address them.

In the case of development and demonstration projects in all program areas, the Administration policy is to direct Federally funded research and development efforts to long-term, high-risk projects of wide generic benefit to the industry and to leave efforts which develop salable commercial products or demonstrate technology already shown to be feasible in the laboratory on a larger scale to the private or public organizations which would benefit from their success. Where the Congress has provided funding and has specifically directed the Bureau to perform these types of activities, it has complied. However, it has not requested new funding for these types of projects.

In the case of funding for efforts at the Idaho National Engineering Laboratory, the Department considers that work performed at Bureau facilities is of higher priority because it more directly supports achievement of the Bureau's mission, goals and objectives.

In the case of funding for the Mineral Institutes, the Administration's position has been that since the benefits of the program most directly accrue to the States and the industry, it is they who should provide the funds for its continued operation, particularly as the Federal government attempts to restrain the size and effect of deficit spending.

Question: In preparing the fiscal year 1987 budgets, what instructions were given to the Department by OMB and what instructions did the Department pass along to the agencies?

Answer: The Bureau received similar guidance from both the Department and OMB which, for the most part, has already been indicated in the response to previous questions. That is, in the case of development and demonstration projects in all program areas, the Administration policy is to direct Federally funded research and development efforts toward long-term, high-risk projects with wide generic benefit to the industry and to leave efforts which development salable commercial products or demonstrate technologies already shown to be feasible in the laboratory on a larger scale to the private or public organizations which would benefit from their success. In addition, the guidance reflected "common sense" directives to improve managerial efficiency and reduce unnecessary expenditures.

Question: Since you are working with OMB in preparing the fiscal year 1988 budgets now, will these instructions change?

Answer: The preliminary OMB guidance for FY 1988 is similar to the FY 1987 guidance.

### Bureau of Mines' Role in Decreasing Reliance on Foreign Minerals

Question: In a recent address you gave at an American Mining Congress convention you stressed the need to decrease this country's reliability on foreign mineral supplies.

Obviously, because of the large reduction in the Bureau of Mines request each year, you do not feel that the Bureau has a very large role in decreasing that foreign reliance.

Answer: The Bureau plays an essential role in helping us address our need to decrease our reliance on foreign mineral supplies. The Bureau gathers, organizes, and disseminates national and international minerals information that is authoritative, consistent, and timely. The Bureau's minerals information is used by minerals-related organizations in decision-making throughout the Federal government.

Without such a capability, neither the Executive agencies nor the Congress would have the information necessary to assess the magnitude of the problem or to identify how decisions on tax policies, environmental protection standards, wilderness designation, land withdrawals, or lending assistance to other countries to develop their mineral resources affect the prices of both deomestic and foreign mineral supplies. These kinds of decisions have the most significant impacts on the degree to which we are dependent on foreign sources of supply for minerals.

### Critical Materials Council Recommendations

Question: Has the Critical Materials Council made any recommendations justifying a smaller budget for the Bureau of Mines?

Answer: The Critical Materials Council is a new organization which has held only one organizational meeting to date. At this time, it has issued no recommendations concerning the budget for the Bureau of Mines.

## Territorial and International Affairs

Question: In 1984 and 1985, the Department indicated its plan to request funding to meet the transitional costs of Compact implementation. Now, although Compact funding has been requested in the FY 86 Supplemental, these transitional costs have not been requested. For example, the U.S. committed to contribute $15 million toward construction of a new Capitol in the Federated States of Micronesia. I am also aware of an additional commitment of $6 million for Capitols in the Marshall Islands and the Republic of Palau. Do these commitments still stand?

Answer: Yes, the United States is still committed to providing funds for construction of capitol facilities.

Question: If so, how does the Department expect to fulfill them if no funds are requested?

Answer: The Department has requested full funding for construction of the capitols in prior budgets. Congress decided not to fund this construction in lieu of other projects. The Department will continue to consider funding for the capitols in future budgets.

Question: Soon, the Administration will submit the Palau Compact to Congress for consideration. My understanding is that it is the intent of the Administration that this will become effective at the same time as the Marshall Islands and FSM Compact yet the Administration has made no request for funding for the Palau Compact. What is the timetable for this funding request?

Answer: The Administration will adjust its budget request as soon as Congress takes favorable action on the proposed Compact for Palau.

Question: The Compact provides that certain federal programs will be continued and the funds will be funneled through the Department of the Interior. No request, however, has been made for these funds. Please provide for the record the amount of funding the Department of Interior will need to reimburse these agencies.

Answer: The Department's budget request for first-year Compact funding includes estimates of reimbursements for Federal services provided by the United States Coast Guard ($2 million); the Federal Aviation Administration ($1.35 million); the Department of Transportation ($1.02 million); the Federal Emergency Management Administration ($3.11 million); the National Weather Service ($1.35 million); and the United States Postal Service ($1.35 million). While other Federal programs and services are authorized by the Compact legislation, the Administration does not believe it is necessary to budget for other programs at this time.

### Rescissions

Mr. Secretary, I want to call your attention to a colloquy in the Congressional Record of March 11, 1986, concerning the proposed rescission of the Historic Preservation Fund moneys. I encouraged you to make those funds available promptly upon the expiration of the rescission proposal. My concern is that, because these funds are provided to the states on a reimbursable basis, many states are already having to furlough personnel.

Question: Can I have your assurance that these funds will be provided to the states as soon as possible after the expiration of the rescission proposal?

Answer: These funds will be apportioned to the States immediately upon expiration of the rescission proposal.

Question: I would also ask for your assurance on the rescission proposed for the state land and water grants and for the Federal land acquisition projects proposed for the Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service.

Answer: If these proposals are either rejected or the rescission period lapses, these funds will be made available immediately to be used as appropriated.

## Office of Surface Mining Reclamation and Enforcement

Question: Over the past several years, OSM has been one of the most controversial agencies at the Department. This controversy has diminished a bit recently and I feel certain that the Senate will soon confirm Jed Christinsen as the Director. I would like to provide you an opportunity to comment on the progress you see at OSM.

Answer: The Office of Surface Mining Reclamation and Enforcement (OSMRE) is entrusted with the responsibility of administering the Surface Mining Control and Reclamation Act of 1977 (SMCRA). In April of 1985, I selected Mr. Jed Christensen to serve as Acting Director of OSMRE. Mr. Christensen has a proven track record of effective management operatives both in Federal and State government. In the year that he has been managing OSMRE, many positive changes have taken place. Progress has been made in the areas of management organization, data system development and improvement in the process of annual State program evaluations. Many more changes are scheduled to take place in Fiscal Year 1987.

In Fiscal Year 1987, the main focus of OSMRE will be to establish a management approach that comprises an open process to define and address OSMRE's problems as they occur. The three key areas where most of this effort will be directed are financial and technical support to State regulatory programs, improved SMCRA enforcement and management decentralization from Headquarters to the field and Technical Center locations.

Increased financial and technical support will be applied to strengthen State primacy. OSMRE has requested a 22 percent increase for state regulatory grants from Fiscal Year 1986. This will allow for State program improvements, support, and participation in the nation-wide Applicant Violator Data System. State regulatory grants must be matched by the States on a dollar-for-dollar basis; such an increase should enhance greatly States' capability to enforce SMCRA. OSMRE's training initiative will improve the capabilities of both State and Federal inspection and permitting personnel, in areas such as engineering, agronomy, water quality, cost analysis, and blasting technology as they relate to surface mining technology.

Improved SMCRA enforcement is the focus of OSMRE's Applicant Violator Data System. This system will ensure that abusers of SMCRA are identified and denied access to mining permits until outstanding violations and penalties are resolved. Increased funding also has been requested to improve OSMRE's fee compliance activities to ensure collection of Abandoned Mine Land Fees.

Finally, in Fiscal Year 1987, OSMRE proposes to decentralize a major portion of its management operations from Headquarters to the field. Because of the Field-based regulatory mission of the Agency, it makes good sense to move many program operations and support functions such as personnel, procurement, and grant administration to the field. The overall intent of the decentralization is to place more authority, technical expertise, and administrative capability in the hands of the field managers who are closest to the on-the-ground problems. Concurrently, Headquarters should be able to focus on Nationwide policy formulation and program evaluation functions. Approximately 125 OSMRE personnel may be moved from Headquarters to field offices to assist and support States in their regulatory and reclamation programs.

OSMRE has come a long way in addressing many areas of concern on the part of industry, environmental groups and Congress. The Fiscal Year 1987 budget provides a major step in the establishment and achievement of high-priority goals that are necessary to enforce the SMCRA.

## WILDLIFE REFUGE CONTAMINATION

Question: I note in your testimony (p. 4) that you have included $11.5 million in the 1987 budget for the Bureau of Reclamation to continue the joint Federal-State study of the environmental and economic impacts of, and potential solutions to, irrigation drainage problems in the San Joaquin Valley.

Does the budget anticipate use of the $11.5 million to develop a clean-up plan for Kesterson National Wildlife Refuge?

Answer: Of the $11.5 million requested for the San Luis Unit, Central Valley Project, in Fiscal Year 1987, $4,032,000 is anticipated for use in the planning activities for the closure and clean-up of Kesterson Reservoir and in developing recommendations for the future status of the Kesterson National Wildlife Refuge. The remainder of the funds ($7,468,000) is proposed for use by the inter-agency San Joaquin Valley Drainage Program.

Question: When will the clean-up plan be complete?

Answer: A framework plan was submitted to the California Water Resources Control Board on July 5, 1985. A draft Environmental Impact Statement is scheduled for public release on April 30, 1986, and will include the alternative plans for Kesterson Reservoir, impacts of the alternative plans, and a comparison of the alternative plans. The final Environmental Impact Statement is scheduled for release in September 1986 and the preferred closure plan and post-closure maintenance plan will be submitted on December 1, 1986, to the State Water Resources Control Board for approval. The closure and cleanup is scheduled to be accomplished by February 5, 1988, subject to the full acceptance of the Plan by the involved parties and the timely availability of funds.

Question: Your testimony states that no funds are proposed for clean-up at Kesterson because the clean-up plan needs to be submitted to the State in December, 1986.

What will the State's role be in reviewing and adopting a clean-up plan?

Answer: The State's role is to regulate for water quality protection and enforce State laws. The California State Water Resources Control Board's Cleanup and Abatement Order No. 85-1, as amended, pursuant to California Water Code Section 13304, required the Bureau of Reclamation to "submit a plan to the State Board for its approval . . . specifying the measures the Bureau will undertake to comply with this section." As a surface impoundment, Kesterson Reservoir became subject to regulation under Subchapter 15, Chapter 3, Title 23 of the California Administrative Code, as administered by the California Department of Health Services. Also, because the contents of Kesterson Reservoir have been determined to be a hazardous waste, the facility is subject to additional requirements (e.g., the Toxic Pits Cleanup Act of 1984) administered by the State. The Department has agreed to comply with Order No. 85-1, as amended.

Question: Would you please provide a detailed breakdown of the $11.5 million for the record, including how much goes to various Interior agencies?

Answer: Fiscal Year 1987 planning activities for the cleanup of Kesterson Reservoir are estimated at $4,030,000. Specific activities include $1.3 million for continuation of on-going monitoring efforts; $1.5 million for the Bureau of Reclamation for post-closure maintenance of the San Luis Drain and Kesterson Reservoir, minor construction of dikes to isolate specific areas for further studies by the Lawrence Berkeley Labs, continued public involvement activities, and completion of the Environmental Impact Statement and the final cleanup plan; $750,000 for improving security measures at the reservoir and reducing wildlife exposure; $205,000 for study activities and preparation and printing of the final plan to be presented to the State Water Resources Control Board; $200,000 for continuation of the Lawrence Berkeley Lab contract for determining the movement of contaminants; and $75,000 for the continuation of the Small Mammal Food Chain Toxicology Study.

The remainder of the funds ($7,470,000) is proposed for use by the inter-agency long-term San Joaquin Valley Drainage Program. Of that amount, $2.5 million would be provided to the U.S. Fish & Wildlife Service for research to determine the safe levels of contaminants for biological resources and $2.78 million would be provided to the U.S. Geological Survey to measure existing and estimate future quantities and quality of drainage water and its distribution. The remaining $2.19 million would be used directly by the Bureau of Reclamation for investigations of treatment and disposal alternatives; continued data collection and analysis; and the development of alternative plans, including source control, to maintain safe levels of trace elements in surface and ground water in the project area.

## IRRIGATION DRAINAGE STUDIES

Question: Your Task Force on Irrigation Drainage has identified about 20 areas involving U.S. Department of Interior responsibilities which require further study of contamination problems.

Do you have these follow-up studies funded in 1986? In 1987?

Answer: It is the Department's intention that the nine higher priority studies be carried out within available resources under the FY 1986 appropriations and FY 1987 President's Budget amounts.

Question: Would you please provide a list of those for the record and estimated costs and actions in 1986 and 1987?

Answer: A list of the 19 areas proposed for further study is provided below. Field study teams currently are preparing preliminary plans of study for the 19 areas and we have tentatively identified nine sites as deserving our high-priority attention. However, as more knowledge is gained, our priorities could change. In 1986 and 1987 we expect to conduct field studies including new field data collection for water, sediments and biological media, at the nine higher-priority sites. This will include collection of water and sediment materials and analyses to determine concentrations of selected metals, trace elements and pesticides that have the potential to affect the health of people or freshwater aquatic life, or for which there are water quality criteria for irrigation. In addition, plant and animal tissue will be collected and will be analyzed for selected metals, trace elements and pesticides, to help assess effects on wildlife resources. At the present time, we anticipate this work at the nine sites will cost about $3 million with about half that amount required in FY 1986. The pace for conducting these studies primarily is a function of the availability of scientific staff with special expertise and highly specialized laboratory analytical capability.

Irrigation Drainage Studies

| | |
|---|---|
| Arizona-California | Lower Colorado River Valley * |
| California | Imperial Valley *<br>Sacramento Refuge Complex<br>San Joaquin Valley 1/ * |
| California-Oregon | Klamath Basin Refuge Complex |
| Colorado | Gunnison River |
| Colorado-Kansas | Middle Arkansas River |
| Idaho | American Falls Reservoir |

| | |
|---|---|
| Montana | Bowdoin National Wildlife Refuge (NWR) *<br>Sun River * |
| Nevada | Stillwater Wildlife Management Area (WMA) * |
| New Mexico | Bosque Del Apache NWR |
| Oregon | Malheur NWR |
| South Dakota | Angostura Unit<br>Belle Fourche Project |
| Texas | Laguna Atascosa NWR * |
| Utah | Middle Green River Basin * |
| Wyoming | Kendrick Project *<br>Riverton Unit |

* Indicates the 9 higher priority areas
1/ Tulare Basin (south of Kesterson)

National Wildlife Refuges -- Contaminants

Question: A few years ago, the Committee provided $1 million to initiate clean-up of the industrial waste dump site at Crab Orchard NWR. We also directed the Department to pursue a legal settlement with the responsible parties, in an attempt to recover our clean-up costs. Has it happened?

Answer: A Remedial Investigation/Feasibility Study is currently underway that will provide recommendations to resolve the identified problems at Crab Orchard NWR. This approximately two-year effort, which commenced in July 1985, is being partially funded by Sangamo Weston, Inc. The Service will continue to pursue funding needed for remedial action with those parties responsible for the contamination.

Question: Do you see this type of approach being used in other contaminant issues?

Answer: As stated in the recently released final draft report entitled "Preliminary Survey of Contaminant Issues of Concern on National Wildlife Refuges," the majority of contaminant issues identified by the survey are associated with agricultural, industrial, and municipal activities. Most of these contaminants originate from off-refuge sites and are transported to aquatic refuge environments through natural and developed water delivery systems. In most cases, resolution of issues will require a coordinated strategy involving various local, regional, State, and Federal entities. Likewise, funding required for studies and/or corrective action will be pursued with those parties responsible for creating the problem to the maximum extent possible.

Question: Do we have funds budgeted for the Fish and Wildlife Service to initiate clean-up, or the development of clean-up plans, for any of its contaminant issues of concern on our National Wildlife refuges?

Answer: The President's FY 1987 budget request provides support necessary to respond to the highest priority contaminant issues identified in its report while allowing flexibility necessary to follow-up on information that may surface as a result of on-going studies ($2.4 million). Action plans now in preparation will provide refuge-specific strategies for responding to contaminant issues. Following completion of the plans, priorities will be assigned for pursuing follow-up actions based on the potential for harm, prospects for resolution, and associated liabilities.

### U.S. Park Police Emergency Law Enforcement Funding Authorities

I have signed a letter to you urging you to review a GAO report concerning the improper use of emergency funding authority by the U.S. Park Police.

Question: Has your attention been directed to that report? Will you consider barring the Park Police from using this emergency authority until we have had an opportunity to review your response?

Answer: Yes, we have received the report, and I have directed the National Park Service to carefully review its findings. While this review is underway, requests to use the authority by the U.S. Park Police will be evaluated on a case-by-case basis. Those proposed uses which do not represent an emergency or unforeseen requirement will not be approved.

### National Park Service Fee Proposals

Mr. Secretary, I will have ample opportunity to review your fee proposal in the Energy and Natural Resources Committee, so I won't dwell on it here. I would like to ask a few questions, however.

Question: Is the Department's proposal structured in such a way that the National Park System is not impaired if the Congress provides the requested appropriations but the fee legislation is not enacted? For example, the following activities are to be funded from fees, not from appropriations:

| | |
|---|---|
| Visitor Transportation Services | $4.0 million |
| Harpers Ferry Exhibit Rehabilitation Center | $4.0 million |
| Cultural Resources Preservation Program | $5.2 million |
| Natural Resources Preservation Program | $7.0 million |
| Maintenance | $9.2 million |
| | $29.4 million |

Answer: Should the fee legislation not be enacted, the National Park Service would review its budget request and reorder priorities to meet any requirements now proposed for funding from user fees that are judged to be of a sufficiently high priority. Given the level of the fiscal year 1987 "Operation of the National Park System" appropriation request, this would mean in all likelihood the continuation of many of the Gramm-Rudman-Hollings reductions taken in 1986, as well as additional deferral of other low priority items. Items that could be deferred 1 year include low-priority research, studies, cyclic maintenance and repair and rehabilitation projects, and resource stabilization and preservation projects. Funding for park operations would be constrained, but we would continue to operate all 337 units of the System in a satisfactory manner from the standpoint of services available to the public.

Question: Would you advise us to restore at least this much money to the appropriations level until the fee legislation is enacted and the receipts are in hand?

Answer: The level provided for in the appropriations request would be sufficient to continue operation of the Park System. The Service believes that, through a review of its budget and program priorities, any undue hardship can be avoided if such a situation arose. Any required activity proposed for inclusion in the user fee legislation could be continued at an appropriate level.

### Advisory Council on Historic Preservation
### Section 106 Regulations

I understand that the final Section 106 regulations for the Advisory Council on Historic Preservation are again undergoing substantial review. I am concerned that the regulations will continue to be delayed and that we may not be able to produce a reasonable set of regulations in the near future.

Question: Do you share this concern? Is there any assistance that I can provide to help resolve this situation?

Answer: Proposed regulations were published in the Federal Register on October 15, 1985. The comment period closed January 15, 1986. Interior submitted its comments to the Council by letter dated January 15, 1986.

Council staff assessed all comments received and reported its assessment to the Chairman of the Council. The assessment identified nine major issues related to the comments that should be considered by the Council. The Council considered these issues at a meeting on February 24, 1986. Each issue was discussed, a recommendation formulated, and a vote taken. All recommendations proposed receive unanimous approval by the Council.

These recommendations will now be followed by the Regulations Task Force in the development of a final set of regulations. The task force met on April 9, 1986, and the Chairman plans to have a final set of regulations for publication by end of summer 1986.

It is our impression that Chairman Baker has the process well in hand, and for the first time in several years, the section 106 regulations seem to be moving ahead smoothly. Senator McClure may find it beneficial to discuss this and other issues with Chairman Baker.

The Department's representative on the Council and a member of the Section 106 Regulations Task Force will keep me up to date on the progress of the final draft of these regulations. In turn, I will keep you informed and let you know if your assistance is needed.

## Alaska Reductions

Question: One justification for reducing services to Alaska Natives is their improved economic condition since passage of the Claims Act. Is the Bureau proposing to establish a "means test" for Indian services in other parts of the country?

Answer: We wish to correct the impression that the proposed reductions in funding for BIA Alaska programs are justified solely by improvements in Alaska Native economic status. There are a number of differences between the situation of Alaska Natives and that of Indians in the lower 48 states which have led us to propose these reductions. First, Alaska Natives, currently receiving BIA services, who reside in urban areas or villages with municipal governments providing local services and/or channeling resources and services from the State, can apply for such services from these sources. Generally speaking, this is not the case in the lower 48, where BIA services are provided to Indians living on or near reservations, and who are not citizens of municipalities offering similar services. Second, because the U.S. never signed treaties with Alaska Natives, there are no tribal treaty rights to be protected. Thus, BIA spending for rights protection in Alaska should be limited to that needed to meet the requirements of specific statutes (e.g. ANCSA, ANILCA, the Alaska Native Allotment Act, and the Alaska Native Township Act). Third, there is no tribal trust land in Alaska (except Metlakatla, which is not subject to the proposed reductions and small parcels of a few acres in four villages in southeast used for canneries) to warrant the continuation of the same natural resource management programs designed for application in the lower 48 reservations. The absence of tribal trust lands and reservations also makes it difficult to justify funding programs such as road maintenance (which is only authorized to service "Indian reservation roads" under 25 USC 318a).

Federal funding is provided to Alaska Natives because of their special status as Natives by a number of Federal agencies including the Department of Education, the Department of Health and Human Services, the Department of Housing and Urban Development, the Department of the Interior, the Department of Labor, and the Department of Transportation. During FY 1985, $286.1 million was provided by these agencies for special programs serving Alaska Natives, and $264.9 million is estimated to be provided during FY 1986. Although approximately 5 percent of the 1.4 million Native Americans identified by the 1980 U.S. Census were Alaska Natives, they are receiving approximately 10 percent of the total funding appropriated for special programs available to all Indians and Alaska Natives through these agencies. The per-capita special Federal funding for Alaska Natives is therefore approximately double the amount received by those Indians in the lower 48. Furthermore, BIA spending in Alaska represents only 16 percent and 13 percent of the total special Federal funding for Alaska Natives in 1985 and

1986, respectively. The FY 1987 budget proposal would represent a reduction from the FY 1986 total Federal funding level of only 3.7 percent. No other FY 1987 budget proposal related to Indian programs government-wide would disproportionately affect Alaska Natives.

The majority of the services provided in Alaska are to individuals. These services are based on various criteria of needs (i.e. a means test) and always have been. The Bureau's service to tribes is usually based on statutory, treaty of other legal mechanism and therefore not based on any kind of means test.

## Response to Inspector General Audits

Question: The Inspector General recently released a special report on significant and long-standing problems within the Bureau of Indian Affairs. Since 1969, 14 audit reports of the social services program have been conducted. According to the IG, few of the problems have been corrected as a recent report noted that: services were being provided with insufficient eligibility and benefit determinations; staff lacked qualifications and training; procedures were inadequate to control quantity and quality of services provided; contracts were poorly written, monitored, and administered; financial/accounting controls and systems were deficient; and casefile documentation was inadequate.

Due to a Congressional add-on, not a Departmental initiative, funds have been provided this year to begin a quality control program for social services. Why haven't these long-standing problems been a priority of the Department?

Answer: The problems cited by the Inspector General (IG) have had and continue to have a high priority with both the Department and Bureau. These problems are complex and resolution involves coordination between numerous program offices in Central Office and field stations. Within the past year, the Division of Social Services identified these problems as priority issues and initiated actions to address the need for quality services and to establish a process for resolving the problems raised in the audit reports. On April 18, 1985, a Management Improvement Plan (MIP) was developed by the Division of Social Services to assure that adequate quality control standards were in operation. Action steps were included in the MIP and have been adhered to by the Division. This included such actions as: creation of a separate quality control branch; revision of the bureau manual governing social services functions; revision of regulations established quality assurance and record keeping steps; and review of area and agency staffing patterns and caseload.

The MIP action creating a quality control branch was approved as an addition to the FY 1987 budget justification. In anticipation of a congressional add-on in FY 1986, the Division formulated a scaled down budget for the quality control branch. This scaled down version was approved at the $200,000 level and enabled the Division to begin efforts to further establish quality control standards and procedures and drafting of quality control regulations. The draft regulations are scheduled to be completed July 30, 1986.

All problems identified in IG audits since 1969 will be specifically addressed in the development of these standards, procedures and regulations. Beginning in FY 1987, the Bureau will require that the quality control component be specified in all P.L. 93-638 social services contracts. In addition, periodic monitoring by the Bureau will occur through case record and administration reviews. Additional funding, specifically for quality control, will be required for FY 1988, 1989, and 1990 in order to fully correct existing problems and to prevent reoccurrence of past problems.

In summary, we are cognizant of the various problems raised by the I.G. During the past year, we have initiated positive steps that will lead to resolution of the problems. However, these problems cannot be resolved overnight and will require a concerted effort by both Central Office and field staff on an on-going basis.

Question: For all the items identified in the IG's report (C-IA-BIA-33-85), please provide a description of the involvement of the Department, above the bureau level, in responding to these problems.

Answer: The Department has been and will continue to be concerned with the problems identified in the IG's report. Upon receipt of the IG's report, the Assistant Secretary - Policy, Budget and Administration requested the heads of each office in the Office of the Secretary to review the report and advise him of actions which could be taken by these offices to assist BIA in solving these problems. This action is outlined below.

## HOUSING IMPROVEMENT PROGRAM

We believe that the bureau is making progress in using model contracts and in emphasizing monitoring, inspections and proper accounting procedures. An effort is underway by the Assistant Secretary - PBA to ensure conformance with Departmental regulations and/or policy regarding eligibility, procurement and accounting.

## INDIVIDUAL INDIAN MONEY ACCOUNTS

Actions already taken with respect to Individual Indian Money Accounts include a Price-Waterhouse study of the Bureau's investment fund management that involved staff of the Assistant Secretary - Indian Affairs and the Assistant Secretary - Policy, Budget and Administration. The study identified Bureau strengths and weaknesses and recommended ways to correct weaknesses. Corrective actions were initiated and are currently underway. In addition, the Department is monitoring changes being made to Individual Indian Money Accounts rules as part of the Regulatory Program of the United States Government.

## JOHNSON O'MALLEY PROGRAM

The Department has been involved in responding to proposed changes in regulations governing JOM which are being reviewed by both the Solicitor's office and the Office of Policy, Budget and Administration with the objective of addressing the issues raised by the Office of Inspector General.

## ACCOUNTING/FINANCE

A review of the areas cited in the Inspector General's summary report indicates that many of the Bureau's problems result from breakdowns in internal controls. Measures were taken to strengthen internal control within the Bureau. Part 340 on Internal Control Systems was added to the Departmental Manual, and training materials were developed to be used to instruct individuals on reviewing internal controls. During FY 1985, the Department's Office of Financial Management trained over 300 people to conduct internal control reviews. During that time, 13 Bureau of Indian Affairs representatives were trained; these 13 representatives trained an additional 330 Bureau field representatives on conducting internal control reviews. The Bureau is continuing to train its field employees in the conduct of internal reviews using training materials developed by the Office of Financial Management.

In 1984, the Office of Financial Management developed a plan which was presented to the Assistant Secretary - Indian Affairs that set forth specific steps which could be taken by Bureau Area Offices and the Central Office to solve various types of debt collection problems, including actions to aid in the collection of accounts receivable and loans receivable.

Also in 1984, the Office was instrumental in getting the Department to include funding in the FY 1985 budget for the development within the BIA accounting system of an accounts receivable subsystem, a loan subsystem, and an improved travel management subsystem.

## PROCUREMENT

In response to the numerous reports identifying BIA weaknesses in the procurement and internal control areas, the Department's Office of Acquisition and Property Management (PAM) together with the Office of Inspector General developed several recommendations to correct these weaknesses and presented them to BIA for their consideration and implementation. A corrective action plan has been developed, and the Office of Policy, Budget and Administration is assisting in monitoring the implementation of the plan.

## PROPERTY MANAGEMENT

New Departmental regulations are being issued which establish property accountability from the Headquarters down to the responsible employee. Additionally, these regulations provide that Boards of Survey can establish financial liability for missing property, and collect from the employee responsible for the safekeeping of the property items. It is expected that these regulations will be issued in May.

## PAYROLL AND PERSONNEL SYSTEMS

Recognizing the BIA's longstanding problems in the payroll area, its payroll system was converted to the Bureau of Reclamation PAY/PERS system during December 1982. Since that time, PAY/PERS management has continually provided onsite training and technical assistance to the Bureau as required.

## TRAVEL

Funding was provided in the FY 1985 BIA appropriation to develop an improved travel subsystem in its accounting system.

## LEASE ADMINISTRATION AND GRAZING MANAGEMENT

The Department is considering contracting with a university or having the Bureau of Land Management study these problems.

## SOCIAL SERVICES

The Offices of Budget and Policy Analysis worked with BIA and secured the assistance of the Department of Health and Human Services in developing and publishing more comprehensive regulations under which this program is carried out. These offices are currently assisting BIA in establishing a quality control function within its Division of Social Services. Assistance is being provided to establish standardized information collection requirements and adequate ADP support, field test instruments and procedures needed to institute tighter controls, and revise existing procedures and regulations.

## HIGHER EDUCATION AND POST-SECONDARY EDUCATION PROGRAMS

Currently, the Bureau is revising its higher education and post secondary education programs regulations. When draft rules are prepared, the Department will review these regulations from a policy perspective with the goal of helping correct the weaknesses identified by the IG.

## OIL AND GAS ROYALTIES FROM INDIAN LANDS

Responsibilities for Indian oil and gas lease and royalty management are shared among three agencies within the Department (BIA, BLM, and MMS). Efforts to correct existing problems in this area are being made by the Secretary's Royalty Management Board. Prior to the establishment of the board, staff from the Assistant Secretary--Policy, Budget and Administration began an effort to correct identified problems.

## SUBCOMMITTEE RECESS

Senator STEVENS. This subommittee is now going to stand in recess until the hour of 2 p.m. on Thursday to hear the budget request for the U.S. Geological Survey.

Thank you, Mr. Secretary.

[Whereupon at 3:15 p.m., Tuesday, March 18, the subcommittee was recessed, to reconvene at 2 p.m., Thursday, March 20.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1987

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THURSDAY, MARCH 20, 1986

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, DC.*

The subcommittee met at 2 p.m., in room SD–138, Dirksen Senate Office Building, Hon. Dennis DeConcini presiding.

Present: Senator DeConcini.

## DEPARTMENT OF THE INTERIOR

## U.S. GEOLOGICAL SURVEY

### STATEMENT OF DALLAS L. PECK, DIRECTOR

**ACCOMPANIED BY:**

- DOYLE G. FREDERICK, ASSOCIATE DIRECTOR
- PETER F. BERMEL, ASSISTANT DIRECTOR FOR PROGRAMS
- JAMES E. BIESECKER, ASSISTANT DIRECTOR FOR INFORMATION SYSTEMS
- JAMES F. DEVINE, ASSISTANT DIRECTOR FOR ENGINEERING GEOLOGY
- EDMUND J. GRANT, ASSISTANT DIRECTOR FOR ADMINISTRATION
- RAYMOND D. WATTS, ACTING ASSISTANT DIRECTOR FOR RESEARCH
- PHILIP COHEN, CHIEF HYDROLOGIST, WATER RESOURCES DIVISION
- ROBERT M. HAMILTON, CHIEF GEOLOGIST, GEOLOGIC DIVISION
- ROY R. MULLEN, ASSOCIATE CHIEF, NATIONAL MAPPING DIVISION
- ANTHONY L. ITTEILAG, DIRECT OF BUDGET, DEPARTMENT OF THE INTERIOR

### BUDGET REQUEST

Senator DECONCINI. The committee will come to order. Good afternoon ladies and gentlemen. The chairman, Senator McClure, is unable to be with us today and has asked me to sit as acting chairman for these hearings.

This is the time scheduled to review the budget request of the Geological Survey whose fiscal year 1987 request is $395,500,000. This is a decrease of $33,869,000 from fiscal year 1986 enacted level, and $15,406,000 or a 3.7-percent decrease from fiscal year 1986 sequestered level.

PREPARED STATEMENT

Testifying on behalf of the Department this afternoon will be Dr. Dallas Peck, Director of the Geological Survey. Dr. Peck, we welcome you here. As usual, if you would introduce the other two witnesses you have here, and anyone in the audience you care to do so with, we will ask that you summarize your testimony. Your full statement will appear in the record as if read.

[The statement follows:]

## STATEMENT OF DALLAS L. PECK

I want to thank you for the opportunity to discuss the U.S. Geological Survey's FY 1987 budget request. Our programs provide basic research, data, and analyses pertaining to the Nation's water, land, energy, and mineral resources. The FY 1987 Surveys, Investigations and Research appropriation request for the Geological Survey totals $395.5 million as compared to the FY 1986 enacted level of $429.4 million, and the Gramm-Rudman-Hollings FY 1986 level of $410.9 million. Within the proposed budget an adjustment of $2.8 million is included for increased rental payments to the General Services Administration. A number of program decreases are proposed to accommodate budget reduction objectives and to provide funds for two high priority initiatives--continuation of the Advanced Cartographic Systems plan to modernize our mapping program and the National Water Quality Assessment Program. The reductions involve mostly stretching out several research, investigative, and data-collection projects and terminating a few. We will implement the reductions in such a way as to reduce, to a minimum, disruption of critical program activities. In carrying out our programs, we are taking advantage of the benefits of working cooperatively with other Federal, State, and local agencies as well as with our academic and industry counterparts.

### National Mapping Program

A funding level of $83.4 million, a net reduction of $4.7 million from the FY 1987 base, is requested to support the National Mapping Program to produce and make available cartographic and geographic information. This involves multipurpose maps, and basic cartographic, remote sensing, and geographic data in printed and digital format. The Geological Survey has been assigned all coordinating responsibilities for domestic topographic mapping and digital cartographic activities.

A $4.8 million increase is proposed to continue the development and implementation of new cartographic equipment, software, and technology to take advantage of the Department of Defense's major investment in state-of-the-art mapping technology development. Acquisition of these types of new equipment and technological innovations will result in improvements in delivery of more timely products and at less cost. In addition we plan to undertake efforts in digital data product generation, revision, and storage. These advancements, when merged with new generation technology, will have an extensive impact on the science of cartography.

Other technological advances related to improved cartographic data systems include the development of geographic information systems (GIS). The USGS is also conducting information system research using images and data collected by aircraft and satellites.

A $4.426 million reduction is proposed in Primary Mapping and Revision. Within this program a reduction of $8.4 million in new mapping will delay the completion of first-time national coverage of the United States from 1989 into 1990. At the beginning of FY 1986, standard or provisional edition primary quadrangle maps were completed for 88 percent of the United States including Alaska and Hawaii. As national primary mapping of the United States is nearing completion, increased map revision effort is already underway so that data portrayed on primary maps will remain current and accurate. To ensure their continued utility for Federal, State, local, and private sector decisionmakers, planners, and managers, as well as general public users, the FY 1987 request shifts $4.0 million to the revision effort.

A $2.6 million reduction is proposed in the Small, Intermediate, and Special Mapping subactivity. This reduction is distributed over Intermediate Scale Mapping, $1.45 million, which defers completion of topographic versions of the 1:100,000-scale series maps; Small-scale and Other Special Mapping, $0.575 million, which decreases the number of special map products to be prepared; and Image Mapping, $0.575 millions, which defers preparation of some orthophotoquads.

A $0.5 million reduction is proposed in Earth Resources Observation System

(EROS) applications and research. This decrease will defer lower priority applications, development, and research activities.

Since 1980, 735,000 square miles of SLAR data coverage have been acquired and the technology has already demonstrated value for many applications such as identification of subtle terrain features, geologic structures, wetlands and vegetation. Sufficient SLAR data have now been acquired and made available to the public to demonstrate their utility. Since additional SLAR data can be acquired by industry within the private sector, further expenditures of funds by the Geological Survey for this program are not necessary. The $1.988 million associated with the SLAR effort are proposed for elimination.

The Geological Survey is responding to meet the requirements of the Bureau of the Census for digitized hydrography and transportation categories of map data at the 1:100,000 scale. These data are needed to support the Bureau of the Census preparation for the 1990 Census. As this requirement is completed in 1987, available funds also will permit the preparation of additional 1:24,000-scale digital cartographic data being requested by a rising number of Federal and State agencies.

## Geologic and Mineral Resource Surveys and Mapping

The request for Geologic and Mineral Resource Surveys and Mapping in FY 1987 is for a total of $159.0 million, which is a reduction of $14.8 million from the FY 1987 base level of $173.8 million. The budget request funds a national program of research to provide geologic, geochemical and geophysical information for other government agencies and for the general public on land, energy and mineral resources and on geologic hazards of the Nation and its territories.

The request for Geologic Hazards Surveys provides for a reduction of $2.763 million for Earthquake Hazards Reduction and $0.933 million for Landslide Hazards. Under the proposed Earthquake program, the Survey will reduce support for regional seismograph networks and reduce theoretical and laboratory studies in earthquake prediction. The network reduction proposed for FY 1987 will not affect regional seismographic stations being operated for earthquake prediction purposes in central and southern California. The reduction to the Landslide program will end most State cooperative programs, eliminate several studies in landslide process and prediction studies, and reduce regional landslide hazards assessments.

The reduction in Land Resource Surveys includes a reduction of $0.5 million for the Federal/State Cooperative Geologic Mapping Program, a $0.199 million reduction to geologic age studies, and a reduction of $0.528 million for the Geomagnetism program, which would involve the closing of the observatories at Newport, Washington, and Barrow, Alaska, and a reduction in the number of repeat magnetic surveys.

The reduction of $4.758 million in Mineral Resource Surveys is proposed in the National Mineral Resource Assessment program. The proposal provides for the deletion of $0.6 million for State of Alaska support in examining the mineral resource potential of the Steese/White Mountains area. The remaining $4.158 million reduction is applied to the Mineral Resources of Public Lands component of the program. The BLM deadlines for mineral surveys of wilderness study areas still will be met under the proposal. First emphasis will be placed on field work with reports being made later in the process than originally planned.

Under the Energy Geologic Surveys, we are requesting a decrease of $2.981 million which includes a reduction of $2.2 million for the Coal program, including decreased funding for cooperative agreements with States. The balance of the reduction is taken in the Geothermal Investigations program.

In Offshore Geologic Surveys, the budget provides for a reduction of $2.118 million, of which $0.627 million will defer marine geological and geophysical surveys. The balance of the reduction suspends the Coastal Erosion program begun in FY 1986.

There were several noteworthy accomplishments under the Geologic and Mineral Resource Surveys and Mapping budget activity that we would like to bring to your attention:

- The Earthquake Hazards Reduction program has been working jointly with the State of California to implement the Parkfield Earthquake Prediction Experiment. Last year the California legislature passed a bill to provide $1 million to augment the Geological Survey's efforts in Parkfield.

- The construction of a new Hawaiian Volcano Observatory funded through the National Park Service is now more than half complete; the observatory will considerably improve the ability to monitor the continuing eruption of Kilauea volcano.

- The USGS during a 1985 survey of the Gorda Ridge discovered the first polymetallic sulfide occurrence in the EEZ. In cooperation with the British Institute of Oceanographic Sciences, we also completed GLORIA sonar imaging of the Pacific coast EEZ and published an interpreted atlas of the sonographs. GLORIA sonar surveys have also been concluded in the EEZ of the Gulf of Mexico, Puerto Rico, and the Virgin Islands. The digital data base of the first map of the Continental Margin Map series (Baltimore Canyon) was completed. The series, in folio format, will ultimately cover the entire EEZ.

- The Survey is also proceeding with MMS on the preparation of another offshore oil and gas estimate and is making an assessment of the petroleum resources of Federal lands using a new and more detailed play-analysis method.

## Water Resources Investigations

Funds totaling $124.7 million are requested to continue the USGS national program of water resources investigations. In cooperation with other Federal, State, and local agencies, the USGS supports the collection and analysis of the largest single data base of information in the Nation of surface- and ground-water resources, and supports the conduct of a wide range of hydrologic research regarding water resources problems and issues of national concern. Programmatic decreases totaling a net of $17.1 million from the FY 1987 base level of $141.8 million are proposed for the water resources programs of the USGS.

The budget request of $3 million for the National Water-Quality Assessment Program will fund pilot studies begun in FY 1986 as well as an additional two pilot projects. The Department is currently engaged in completing the review of a design for such a program. The Department and the USGS are actively consulting with other Federal and State agencies who are potential beneficiaries and participants of a National Water-Quality Assessment Program. With funds appropriated by the Congress in FY 1986, the USGS will begin a series of prototype projects to develop and test various water-quality assessment approaches and techniques. The information developed by such a program could serve to identify problem areas (and non-problem areas as well), and assist in the measurement of progress towards achieving national water-quality objectives.

A $2.149 million reduction is proposed in the Federal Program--Data Collection and Analysis. This proposal involves reducing the number of locations at which water data is collected, and deferring some maintenance and rehabilitation of stations in the national network. The frequency of water-quality sampling at National Stream Quality Accounting Network and Hydrologic Benchmark stations would also be reduced. Funding for hydrologic investigations associated with the Acoma/Pueblo in New Mexico will be returned to the FY 1985 level. Activities associated with appraising the hydrologic implications of oil shale development would be terminated.

A $0.293 million reduction is proposed for the National Water Data and Information Access Program. This proposal involves reducing the level of activities associated with inventorying, cataloging, and providing user access to water-resources data and information.

A $2.0 million reduction is proposed for the Regional Aquifer System Analysis Program. This proposal involves postponing indefinitely the start of Phase I regional aquifer system studies in the Appalachian Valleys/Piedmont and the Northern Rockies Intermontane Basin. In addition, the start of a Phase I study of the Ohio-Indiana Carbonates and Glacial Aquifer System, postponed in FY 1986 because of sequestration, would continue to be deferred in FY 1987.

A $0.701 million reduction is proposed for the Core Program Hydrologic Research. This reduction would discontinue dedicated funding for ground-water research by the Oregon Graduate Center.

A $0.307 million reduction is proposed for the Improved Instrumentation Program. This reduction involves terminating several projects involved in examining the cost-effectiveness of employing satellite technology in the operation of hydrologic data networks. Reductions would also occur in software and hardware development activities associated with the capture, management, and analysis of real-time hydrologic data.

A $4.1 million reduction is proposed for the Nuclear Waste Hydrology Program. This proposal involves altering the focus of the directly appropriated program to concentrate principally on research and investigations associated with the disposal of low-level radioactive materials. A modest review and coordination function associated with the earth-science aspects of high-level radioactive waste disposal would be retained. Most remaining USGS involvement in research and investigations with regard to high-level radioactive waste issues would be done on a reimbursable basis for other Federal agencies such as the Department of Energy (DOE). The USGS responsibility, funded in FY 1987 by DOE at an estimated $20 million level, is the geologic and hydrologic characterization of a site at Yucca Mountain in Nevada for the first high-level repository. The DOE also supports the USGS in studies to improve specific techniques of characterization that are most appropriate for crystalline-rock environments.

A $0.3 million reduction is proposed for the Acid Rain Program. The reduction would not threaten USGS support for the operation of the present interagency national acid rain monitoring network.

A $2.236 million reduction is proposed for the Federal/State Cooperative Data Collection and Analysis Program. This proposal involves discontinuing the collection of hydrologic data at about 820 surface-water and ground-water sites, and reducing by 35 the number of hydrologic investigations conducted in cooperation with State and local governments.

Reductions of $5.535 million are proposed for the Water Resources Research Institutes and Grants programs which will maintain Institute funding at approximately $86,000 and provide for approximately 20 research projects.

Although the budget proposes reductions, we have made program adjustments in order to maintain our highest priority work and continue new programs. We are actively seeking efficiencies and savings wherever feasible. For example, as discussed in our hearings last year, consolidation of the map distribution function in the Denver area is proceeding as planned. In addition, realignment of the functions for the mapping centers is proving effective, and we are currently examining the possibilities for scientific laboratory productivity improvements.

Mr. Chairman, I would be pleased to answer any questions you or other members may have.

## Biography of Roy R. Mullen

Date and Place of Birth
May 3, 1924
Vineland, New Jersey

Residence
3103 Trenholm Drive
Oakton, Virginia 22124

Education
Vineland High School, 1941
American University, 1951
Federal Executive Institute, 1973

Military Service
U. S. Marine Corps, 1942-46

Present Position
Associate Chief, National Mapping Division, U. S. Geological Survey

Experience prior to present position (all in USGS)

| | |
|---|---|
| 1951-1959 | All phases of mapping, Atlantic Region |
| 1960-1969 | Research Specialist, Branch of Research and Design, McLean, Virginia |
| 1969-1970 | Chief, Photogrammetry, Special Projects Office, Reston, Virginia |
| 1970-1972 | Chief, Photogrammetry, Office of Research and Technical Standards, McLean, Virginia |
| 1972-1976 | Pacific Region Engineer, Menlo Park, California |
| 1976-1980 | Chief, Office of Research and Technical Standards, Reston, Virginia |
| 1980-present | Associate Chief, National Mapping Division, Reston, Virginia |
| 1960-1972 | Taught Photogrammetry I and II, USDA Graduate School |

Honors and Professional Affiliation
DOI Meritorious Service Award, 1976
DOI Distinguished Service Award, 1983
Member of American Society of Photogrammetry (four Presidential citations)
Member of American Association for the Advancement of Science

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## Biography of Raymond D. Watts

Raymond D. Watts joined the Geological Survey in 1974 as a geophysicist specializing in electrical and electromagnetic methods. He developed glacier-penetrating radar systems that were used to measure ice thickness in Alaska's large valley glaciers, including Columbia Glacier near Valdez; his measurements contributed to the USGS prediction of Columbia Glacier's collapse, which began in 1985. After investigating the Dufek layered intrusive complex of Antarctica, Dr. Watts specialized in geophysical studies of nuclear and toxic waste disposal sites; he contributed to demonstrations of borehole radar technology for observation of fractures in crystalline rocks.

Dr. Watts was trained at Pomona College (B.A., 1966), Massachusetts Institute of Technology (1966-1969), and University of Toronto (Ph.D., 1972). During his graduate training, he worked at the Lunar Science Institute and at Johnson Space Center in Houston, Texas, helping to develop a geophysical experiment that was carried on the Apollo 17 lunar mission, and to interpret its results.

In 1984, Dr. Watts joined the Office of the Assistant Director for Research, where he has coordinated USGS remote sensing and Antarctic research activities, and has contributed to the development of policies concerning USGS publications, international activities, and cooperative research with private and Federal earth-science institutions.

### INTRODUCTION OF ASSOCIATES

Dr. PECK. Thank you, Senator.

I am accompanied at the table here by Mr. Doyle Frederick, the Associate Director, and Mr. Peter Bermel, our Assistant Director in charge of our program office.

I am also accompanied by the heads of the major divisions of the Geological Survey. Mr. Lowell Starr, who has been recently named the head of our National Mapping Division is absent because of severe illness in his family, and is being represented by Mr. Roy Mullen. Otherwise the witness list of attendees is similar to the list that we provided you.

### BUDGET REQUEST SUMMARY

If I am allowed, Senator, I will go ahead with a brief summary of the budget request, and have my written statement submitted for the record.

It is a pleasure to discuss today the Geological Survey's proposed budget for fiscal year 1987.

Our budget provides basic scientific data, analysis and resources estimates concerning land, water, energy, and mineral resources.

As you summarized, the request is for $395.5 million compared to a fiscal year 1986 enacted level of $429.4 million.

Our programs will continue to focus on the Nation's requirements for adequate water, mineral, and energy resources.

The request includes $83.4 million for the National Mapping, Geography, and Surveys Programs; $159 million for Geologic and Mineral Resource Surveys and Mapping Programs; $124.7 million for water resource investigations; and $28.4 million for general administration, National Center Facility.

Although the budget proposal for 1987 is below that for fiscal 1986, we have accommodated planned growth in two important areas funded by the Congress in fiscal 1986. These are the advanced cartographic systems which proposes a planned increase of $4.8 million to continue the second year of a multiyear effort, and the National Water Quality Assessment Program. In fiscal 1986 $2.5 million in funds are being used to complete the program design and start seven prototype studies, using various water quality assessment approaches and techniques.

We are requesting in 1987 an increase of $500,000 to begin two additional prototype studies.

We are looking forward to the future within the Geological Survey with enthusiasm for meeting the challenge that Earth science requirements will not diminish, while at the same time we are looking for efficiencies in management improvements wherever possible.

For example, we are looking at an extensive evaluation of facility requirements, including examination of the possibilities for scientific laboratory productivity improvement.

As you know we are consolidating the map distribution functions to Denver, which is proceeding as planned with some savings expected in the out years.

As part of our long-range planning effort, we have expressed our missions and goals in a brief document that is being shared with all our employees, cooperators, and scientific colleagues.

Our basic research programs continue to provide exciting advances in knowledge about the Nation's resources. Several examples over the past year include discovery of economically significant minerals on the Atlantic Shelf. We published the first atlas of the Pacific EEZ using GLORIA sonographs. We have successfully implemented a formal process to review the efficiency of the 54 State water resources research institutes. We have developed a quantitative relationship between emissions and sulfur-dioxide to the atmosphere and the sulfate content and alkalinity of streams and lakes.

Mr. Chairman, I would be pleased to respond to questions that you or other committee members may have. Thank you.

Senator DECONCINI. Thank you, Mr. Director.

## WATER RESOURCES REDUCTIONS

I am particularly concerned about the possible impacts of the budget reductions proposed for 1987 in your Water Resources and Information Programs. It seems to me at a time when the Federal Government is reducing funding support for flood control and waste treatment and for many water-related programs, the Survey's data collection and information programs will become more crucial to State and local governments and to the general public than ever before.

In Data Collection and Analysis Programs, I read that you will have to discontinue the collection of hydrologic data at 20 surface water and 40 groundwater sites.

Can you designate these sites. Tell us, No. 1, is that true, those figures; and No. 2, where they are? And, the consequences of eliminating these.

Dr. PECK. It is unfortunate, Mr. Chairman, in order to meet the budget goals that we all support, we have had to reduce the funding for more than one-half the program areas in the Geological Survey. And that includes a number of areas in water resources.

An impact of that will be the reduction in both surface water and groundwater sites not only under our Federal program, but also under our Cooperative Water Resources Program. The total number of those reductions are greater than the numbers you quoted. Probably they average 100 or so.

I will get Mr. Cohen, the Chief Hydrologist who is here, to give us an exact number. We are going to be working very closely with our cooperators, with the other Federal agencies we work with, to try to minimize the impact of this reduction in stream gaging and water well monitoring.

We are particularly working closely with the National Weather Service, so that we protect the stream gaging sites that are essential for flood warning.

Even at that, however, the number of sites we have monitored over the years has decreased sharply. It was 11,000 sites some years ago; 5 or 6 years ago. It is now down to about 7,000 sites which is the impact of reduced budgets over the years.

Senator DECONCINI. Is that primarily or intensively personnel cuts? Is that what most of that is?

Dr. PECK. That's a combination of personnel cuts and funding cuts.

We have been moving rather rapidly to satellite transmission of the data and automation of the equipment in order to decrease the number of staff.

Senator DECONCINI. And have you succeeded in substituting some of the personnel by using technological transfer data?

Dr. PECK. Yes; that works. Also, we work very closely with a number of State agencies, and particularly so in Arizona. Much of the water well monitoring is done by the State instead of by our own staff.

### NON-FEDERAL PARTICIPATION

Senator DECONCINI. Can you get more participants from local government and volunteer groups? Or is that just too sophisticated, or too optimistic to think that we could maintain more of these sites by a little different approach with the States or with other groups that might be interested?

Dr. PECK. We do a fair bit of that.

I am getting into deep water, Mr. Chairman. I think I had better turn it over to the Chief Hydrologist, Mr. Cohen.

Mr. COHEN. As a matter of fact, sir, we can and do increase the personnel resources available to this program by working in cooperation with State and local agencies.

Arizona is perhaps one of the dramatic cases. We have a large cooperative program in the State of Arizona. It is a cost-sharing program.

In most cases, the States provide funding to the Geological Survey and we do work. But, as we have felt the constraints of reduced personnel, we have turned to State and other agencies to develop joint training programs. They, in fact, are doing more and more measurements in the field.

Senator DECONCINI. Can that be increased, or is that maximized now?

Mr. COHEN. That is maximized now, largely on the basis of availability of Federal matching funds.

Senator DECONCINI. In other words, if I understand that, that is the most you think you can get out of say, like the State of Arizona, with what you are getting now?

Mr. COHEN. Many of the States including the State of Arizona, would be interested in providing more funds or more services in kind, if, in fact, there were Federal funds to be matched. The level of funds that are earmarked in the fiscal year 1987 program, for example, for that matching program, is on the order of $50 million. And we estimate the level of offerings from States exceeds that by some $10 or $15 million.

Senator DECONCINI. Am I correct in my figures here, 20 surface water and 40 groundwater sites?

Mr. COHEN. You are probably looking at a subset of the figures. We subdivided it in accordance with the source of funds, Federal-State Cooperative Program, Federal Program, and then the third, Other Federal Agencies. The numbers are summarized on page GS–174 of our budget.

I would say the numbers you are looking at are probably somewhere between one-third to 50 percent of the total reductions that will occur from all sources of funding.

Senator DECONCINI. What are we talking about for 1987? 60 surface water or more? Or, if you would like to supply that for the record, it is OK.

Mr. COHEN. OK. As I said, sir, it is in the text, I would be glad to summarize those numbers for you.

Senator DECONCINI. All right. If you would like to give me the 1987 reduction—staff here thinks it may be as high as 60 surface, and 100 groundwater in 1987 in addition to the 20 and 40 that I recited.

Dr. PECK. That's correct.

Senator DECONCINI. That's a substantial reduction.

Mr. COHEN. Yes, sir.

### SURFACE WATER GAGING STATIONS

Senator DECONCINI. Thank you.

You state, Mr. Director, that you will have to defer rehabilitation, repair and replacement of surface water gaging stations which have been damaged or destroyed by flooding, vandalism, and aging.

Are those gaging stations important to the flood warning systems?

Can you explain what may be the consequences if they are not operative?

Dr. PECK. Examples of some of the stations that are particularly important for flood warning would be stations in West Virginia that were damaged during the very serious flooding this last year. For the ones that are particularly critical to flood warning, we go ahead and repair as quickly as possible, even though funds are short.

Senator DECONCINI. Do you have a priority list then already determined, which ones are critical and which ones are not?

Dr. PECK. I will turn that question over to Mr. Cohen.

Mr. COHEN. We do, in fact, work very closely with the National Weather Service. It may be of interest to note that the National Weather Service does not operate any gaging stations, or virtually none for their flood forecasting system. They rely largely on us.

Of the total number of continuously recording gaging stations that we operate—about 7,000—about 2,200 are operated in support of the National Weather Service's flood warning system. We have been successful, one way or the other, of making sure that most of those stations remain on line.

Senator DeConcini. Will you be able to keep those on line in this 1987 budget?

Mr. Cohen. We will, sir, if we have to scratch the bottom of the barrel. There are lives involved and we keep them on line, yes, if at all possible.

Senator DeConcini. How many are considered critical, would you say?

Mr. Cohen. Approximately 2,200 of ours are used for flood forecasting.

Senator DeConcini. And those are the critical ones?

Mr. Cohen. There are others that are critical. Those that are used to operate dams, for example, are viewed to be critical by others.

But, those used for flood forecasting, for protection of lives and property, are viewed as most critical.

## PUBLIC INFORMATION AVAILABILITY

Senator DeConcini. Your public information that you make available, is that available in USGS offices in every State? Do you have a full complement of the information that you publish, or some of it?

Does it have to come from Washington?

Dr. Peck. Through our program, that information is available through all of our district, and many of our subdistrict offices. A little later Mr. Cohen can perhaps come up with a number of how many offices there are where information is available.

It is also available through many offices of our cooperators, of which we have 900 formal cooperators who add money to our program across the country.

Senator DeConcini. They also have that public information?

Dr. Peck. I think we will ask Mr. Cohen.

Senator DeConcini. The other question was, if they have it, do they have enough to disseminate or distribute at will? Or, do they have to ration it?

Mr. Cohen. We have a program referred to as NAWDEX, national water data exchange. This is a computer-based program in which we have computer facilities at approximately 60 of our offices and about 20 other entities that cooperate with us.

Through these computers we provide in real time, or near real time, access to all of our holdings and our computerized storage base, and to indices which indicate who else is holding water data throughout the country. That function is limited largely to data per se.

We have another program, the water resources scientific information center in which we abstract information in published report. This does not cover the entire spectrum, but a selected subset of published reports. Those abstracts, in turn, are also computerized and available through our facilities.

Senator DeConcini. To the general public?

Mr. Cohen. To the general public.

Senator DECONCINI. Do you have any plans or suggestions of getting better information or taking more advantage of information that is now available and getting it to the public? Or, are you satisfied you are doing as much as you can? I guess that is the question.

Mr. COHEN. These are two program elements among many that we have particular interest in. And, in times of more relaxed fiscal constraints, we would certainly consider the feasibility of expanding them.

We recognize that we do not completely fulfill our mission by simply collecting scientific information. It is necessary to transfer that information.

Senator DECONCINI. You could do more if you had more money. Per year, you would do more.

Mr. COHEN. That's correct.

Senator DECONCINI. Are the programs that you now make available, are they considered cost effective in your analysis?

Mr. COHEN. I think so. I think they are very well received by the entire water community.

## NATIONAL WATER QUALITY ASSESSMENT PROGRAM

Senator DECONCINI. I notice in your 1986 budget, the Congress included approximately $2.5 million in your water resources budget, to undertake a National Water Quality Assessment Program.

What progress, Mr. Director, has the Survey made to date on that assessment?

Dr. PECK. Mr. Chairman, we worked pretty intensively this past year with other Federal agencies like the Environmental Protection Agency, and many State and local cooperators to try to better define what program is needed and what information is needed for a host of water problems.

We are in the process, also, of starting seven pilot studies; four surface water pilot studies and three groundwater studies in a number of areas across the country.

An example would be the Potomac River basin. For each one of those studies we are setting up a liaison committee with State and local cooperators and with other Federal agencies in order to guide this study and define what parameters we need to measure.

I think we have made a very good start in establishing good communication with the other Federal agencies and in sharpening our ideas on how we should proceed.

Senator DECONCINI. You requested $3 million, I see in your 1987 budget, is that right?

Dr. PECK. Right. And that will allow us to expand the number of pilot studies. I think with the addition of both a surface and groundwater study.

Senator DECONCINI. That's a sufficient amount to do that?

Dr. PECK. Well, we think that this is such an ambitious program as far as the long-range goals, and will represent, if it continues to grow, a substantial commitment of Federal funds, that it is wise to start off rather slowly and build up. Through the pilot studies we will develop sharper ideas on how to carry it out, how to effectively develop information for agencies like EPA and the Department of Agriculture that will be using it.

The idea is to get a very good handle on the quality of the Nation's ground and surface waters in these pilot areas, and then through time be able to detect trends in water quality.

Senator DECONCINI. If you proceed through 1987 with $3 million, will you be able to then have more than a pilot project? Will you be able to have some concrete trends?

Dr. PECK. Each one of these pilot studies will take 3 or 4 years, and we are in the process of planning our budgets for fiscal year 1988.

One of the options that we are considering is a modest expansion of that program.

Senator DECONCINI. You are talking about along several years at $3 million, or perhaps more before you have some——

Dr. PECK. As we envisage the program at its maximum it would be on an order of magnitude of a $50 million a year program where we would have perhaps 30 groundwater and 30 surface water studies going on concurrently. So that in time over a 10-year period, we could cover something like 80 percent of the water use in the country by these sorts of studies.

But, this will require additional laboratory facilities and a lot of learning process, particularly for determining groundwater quality.

### SIDE LOOKING AIRBORNE RADAR

Senator DECONCINI. Thank you. I think that is an excellent program. I hope you can maintain it.

Let me ask you a question about the SLAR. I note again the Survey has not requested any funds to continue radar mapping using this synthetic radar system. When the Congress continually includes funds for this program, why is it the Survey always leaves it out, or have I answered my own question? [Laughter.]

Dr. PECK. This, incidentally, Mr. Chairman, is Mr. Mullen, Associate Chief of the National Mapping Division under which the SLAR activity is taking place.

As a geologist I am very enthusiastic about the data. However, the data is publicly available, and we have over the years, with great encouragement by Congress, covered somewhat over 700,000 square miles, about 20 percent of the country, and covered a number of different types of areas. Several in Arizona, and in the Appalachians, covering different terrain with different topography, different geology, different land cover.

We believe that the data is available commercially; that we demonstrated its applicability. When a Federal budget is greatly curtailed, an alternative is the obtaining of that data by individuals. We have wondered at times whether it would not be more proper to carry this out as part of the cooperative program; that if, indeed, State geologists and others were seriously interested, they would be willing to share the cost as our water cooperators do, and as many of our cooperators in the States do for topographic maps.

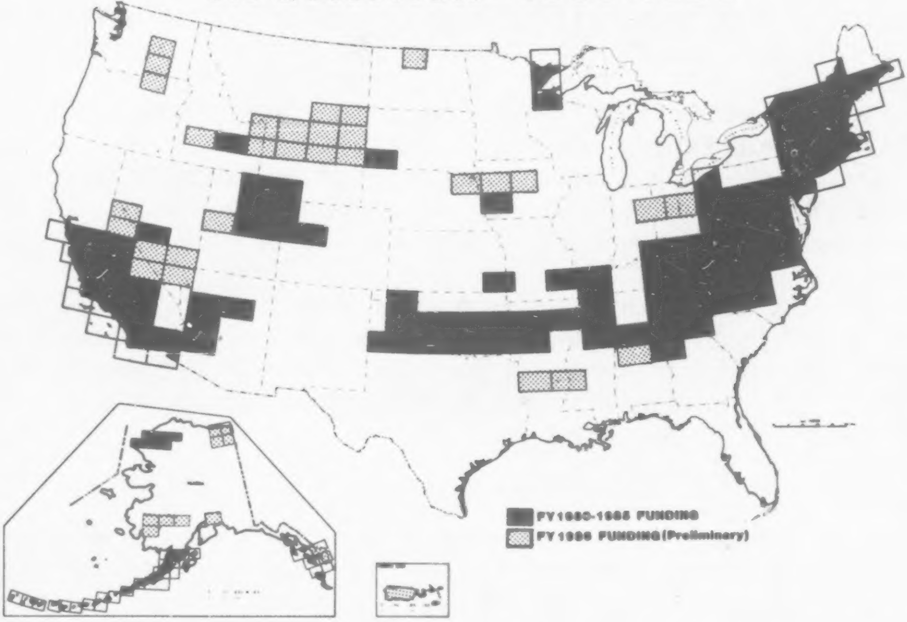
Senator DECONCINI. Has any approach been made in the States to work on the cooperative——

Dr. PECK. I don't think we have explored that.

Mr. MULLEN. No.

Senator DECONCINI. Can you give me an update of SLAR?

**SIDE-LOOKING AIRBORNE RADAR DATA ACQUISITION—1980-1986**



I take it the orange on the chart is what is going to be done in 1986?

Dr. PECK. Orange is what is going to be contracted using 1986 funds.

Mr. MULLEN. If I might answer you, Mr. Senator, the orange is proposed areas. About 290,000 square miles are covered by those proposed areas. The funding, the contract is not yet let, so we don't know exactly how much we will be able to cover.

But, with the proposed or indicated costs, we will be able to cover about 60,000 square miles less than the total shown in orange.

So, the labeling down here says 1986 preliminary.

Senator DECONCINI. Are those contracts coming in at anything less than what the beginning ones were?

Mr. MULLEN. Very much so. Very much less.

Senator DECONCINI. You are getting greater volume for the amount of money?

Dr. PECK. It is a marvelous example of the positive effect of competition. The costs have fallen dramatically over the last 3 or 4 years.

Senator DECONCINI. What are some of the restrictions SLAR vendors have put on the reproduction of data, compared to the restrictions that the Government puts on the data?

Dr. PECK. I'm not sure. I will ask Mr. Mullen, can you answer that?

Mr. MULLEN. The SLAR acquired by the Government, of course, is entirely free to the entire community.

Dr. PECK. Not free, we charge for it. But, they have free use of it.

Mr. MULLEN. Free access to it at cost.

Senator DECONCINI. At cost. Is that what you charge?

Mr. MULLEN. Cost for reproduction of the materials from our Sioux Falls inventory. The SLAR came out of the classified community, and has always been treated as proprietary data by the major collectors of it.

It is not proprietary when collected under the Government's funded programs.

Senator DECONCINI. If Congress put in $2 million, where would you likely go next? Do you have that?

Dr. PECK. Each year we go to all the State geologists, we go to our own staff of geologists working, of course, all over the country, and get nominations with a rationale of why it would be good to study that area.

We have had a number of expressions of interest. For example, for areas with nearly flat lying beds in Texas and in the Dakotas and Nebraska—and I am sure if we go out for solicitation we would get a number of expressions of interest by different State geologists.

Senator DECONCINI. Thank you.

## MAP INVENTORY

Your justification indicates the Survey currently has a total inventory of 100 million maps. This is down from 114 million maps in fiscal 1982.

Non-Federal sales in fiscal 1987 are anticipated to total 4.5 million maps, and generate $7.5 to $8 million.

With this sales target and revenue estimates, the Survey would turn its map inventory over once every 20 years. By comparison, a small hardware store in the State of Idaho turns its inventory three times a year.

I don't want to create any misconceptions here, but certainly selling maps is different from selling things out of a hardware or a grocery store. But, it is very costly to business to carry such a large inventory.

How many of the 100 million maps are not actively sold, but are kept for historical purposes, and has the Survey established a target inventory?

Dr. PECK. Yes, Mr. Chairman; I am sure you realize there are some striking differences between that small hardware store and the Geological Survey, in that the small hardware store can go to suppliers who, in turn, go to suppliers.

Since we are the Nation's mapmaker and the repository of maps for not only other Federal agencies, but the public, too, we look very carefully at that area. We are aiming at a smaller inventory. And, as we computerize our map selling and stock management system we have a goal of reducing that inventory to 65 million maps. We have done a number of studies.

Senator DECONCINI. What date do you anticipate getting down to 65 million?

Dr. PECK. Mr. Mullen, when? Maybe 2 or 3 years?

Mr. MULLEN. About 2 to 3 years.

One of the benefits, of course, of the consolidation of distribution in Denver, would allow us to put all of that inventory in one place, reduce the cost because we would be able to reduce the amount of floor space necessary to store all those maps, and we anticipate the benefits will come from that in 2 to 3 years.

Dr. PECK. We have done a number of studies of this and we balance the cost of printing new maps versus the cost of warehousing the maps.

Some years ago we would carry a 10-year supply of maps. We are now down to carrying what we estimate to be a 5-year supply of maps.

Senator DECONCINI. In that total inventory of 100 million maps, Mr. Mullen, maybe you can answer this, certainly there are some that never get asked for. After so many years, you know which ones are the popular ones, or the ones that you can anticipate being called on. What do you do with those that haven't been called on in 20 years?

Mr. MULLEN. Certainly, Mr. Senator, that is where we do make the reduction in the inventory. That is how we were able to make reductions in the inventory.

Senator DECONCINI. What is the standard for deciding that a map is not a popular map anymore. You are going to have fewer of them stored?

Mr. MULLEN. Just as you stated, the amount of movement in the maps. Certain maps, for instance, like the popular recreational maps of Yosemite and areas like that, we may print 35,000 of them at a time.

We have reduced now our standard printings in the maps that move relatively slowly to some 800 to 900 maps which is all we carry in inventory.

One of the things that is difficult, though, in determining the inventory, is how useful is that map going to be when. When uranium was discovered in areas where maps didn't sell very quickly because of less recreational purposes or whatever other purposes, the immediate demand on the inventory was significant.

As the Director stated, we made a study that has really determined that it is cheaper to keep the maps, some of the maps in inventory, than it is to go back and print additional maps.

We are not at the stage, yet, probably several years away, where we will be able to print maps on demand. At the present time we must keep an adequate inventory.

With respect to the question about how many are historical, all of those are active inventory maps. There are no historical maps kept in that inventory.

Senator DECONCINI. All that 100 million?

Mr. MULLEN. All that 100 million, yes, sir.

Dr. PECK. We could see some real changes in this over the next 10 years or so, as we move into our advanced cartography program and more and more build a digital data base. We will be able to print maps on demand from the computer and modify and combine maps, keep them up to date more easily. Henceforth, we will be aiming at that goal.

Senator DECONCINI. Is that technology there now?

Dr. PECK. We are working very closely with the Defense Mapping Agency. The basic technology is there, but we are working with the Defense Mapping Agency to develop more cost effective ways of building a data base like that and using a data base.

Senator DECONCINI. As you may know, the aerospace industry has developed that technology now for cockpit maps to be produced——

Dr. PECK. Yes, indeed. Sometime in the future it will be in the dashboard of your car.

Senator DECONCINI. Thank you.

Do you have any questions?

Mr. CILEK. No.

## ADDITIONAL COMMITTEE QUESTIONS

Senator DECONCINI. We are going to call the hearing to a close now. There are a number of other questions, and I will submit them for the record, from the chairman and myself.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

### REIMBURSABLE FUNDING FROM OTHER SOURCES

The Geological Survey has a budget of nearly 570 million dollars. Around 400 million dollars comes from direct appropriations and an additional 170 million comes from outside sources that pay the Survey for services.

Because the Survey receives so much from other Federal agencies, the sequestration has a double impact on the Survey. First, Geological Survey's appropriated funds are sequestered. Second, other agencies that normally purchase services from the Survey are having their funds sequestered.

1. Question: Your justification estimates that funds from other Federal agencies will decrease from 102 million in fiscal year 1985 to an estimated 87.5 million in fiscal year 1987.

Can you estimate how much of this decrease in other Federal sources is due to sequestration?

Answer: The decrease is due to the constantly changing needs of other Federal agencies and the completion of ongoing projects. The effect of Gramm-Rudman-Hollings sequestration on funding from other Federal agencies has not yet become apparent in fiscal year 1986. We are currently estimating $98.2 million in fiscal year 1986 from other Federal agencies which is $1.6 million higher than the estimates reported in the 1986 column of the 1987 budget request. In fiscal year 1987 we anticipate some reduction in funding depending on the appropriation level for the Federal agencies which traditionally provide us support. Specific commitments from individual agencies are usually not available until after the agencies have a firm idea of the amount of their budget for the fiscal year. Therefore, we will have a better understanding of the fiscal year 1987 reimbursements provided by other Federal agencies once Congress has completed its action on the fiscal year 1987 budget.

2. Question: Are you looking to other non-Federal government sources of funds in an effort to counter this decrease?

Answer: Yes, we are seeking additional non-Federal funding, where appropriate, to help carry out our mission, but we are not optimistic about receiving additional funds from non-Federal sources in fiscal year 1987.

Non-Federal funds received by the U.S. Geological Survey consist primarily of receipts from the sale of maps and publications, funds received from State and local governments associated with cooperative projects, and funds received from foreign governments.

Estimates of funds received from the sale of maps and publications have not changed from the amount shown in our justification, $7.4 million in fiscal year 1986, $7.8 in fiscal year 1987. The past two price increases, from $2.00 to $2.25 in 1984 and from $2.25 to $2.50 in 1985, show that the volume of maps sold declines following a price increase. If this trend were to continue, a price higher than $2.50 would result in reduced revenues.

Our cooperative programs in Water Resources and National Mapping are based on a policy of 50 percent matching with State and local cooperators. Only projects which have been determined to be of highest priority in terms of meeting national needs are funded under this program. The amount of funding from State and local sources is dependent upon the amount of Federal funds appropriated for cooperative efforts.

Our largest supplier of funds from foreign governments has been the Kingdom of Saudi Arabia. In fiscal year 1987, we anticipate that reimbursable funds from this source may be reduced.

## PRIMARY MAPPING AND REVISION

3. Question: In Primary Mapping during fiscal year 1987, the Survey is proposing to allocate additional resources in "revision" to increase emphasis on correcting deficient and inadequate maps and data. Yet your justification reflects a decrease in program outputs from fiscal 86 to fiscal 87 for these activities. How much is proposed to be reallocated in fiscal year 1987 and from which programs?

Answer: Funds are being reallocated from new primary mapping to revision mapping, both being within the same program, Primary Mapping and Revision. The funds being reallocated in fiscal year 1987 total about $4.0 million. No funds are proposed to be reallocated from other programs into revision mapping.

4. Question: When can a corresponding program output increase be expected from these additional funds?

Answer: A corresponding increase in revised map outputs will be seen beginning in fiscal year 1990. The nature of the inventory of published maps needing revision is such that it is necessary to increase emphasis on complete revision - the correction of all categories of data comprising a map. The number of maps being revised each year is reduced because complete revisions are more expensive. Also, complete revisions, like new mapping, take longer to complete. Since the output unit is the completed product, not effort expended, there is a three-to-four-year delay in the appearance of completely revised maps.

5. Question: Did you decide to request more in fiscal year 1987 because of some previously undetected errors found?

Answer: The decision to increase expenditures in map revision in fiscal year 1987 is in accordance with our plan and is based on the need and ability to redirect resources from the new mapping. No new undetected type of errors have been found; the need for map revision has always been known and continues to grow as maps increase in age and the land is developed. Users' requirements for current and accurate maps and cartographic data are met by a mix of photo-, limited, and complete revision.

6. Question: Why is there such a year to year variance in complete revision? (55 in FY 85; 20 in FY 86; and 70 in FY 87)?

Answer: The mix of revision mapping-, photo-, limited, and complete revision - is the result of management decisions based on need and resource availability. All revision processes compete for the same production resources, thus complete revision production varies from year to year based on established priorities as they are matched against a particular revision process.

7. Question: In an effort to comply with the Deficit Control Act, production of new and revised primary scale maps will be reduced by 100 maps per year in fiscal 86. Your justification also proposes a 100 map reduction for fiscal year 1987. What is the impact on the users of these maps?

Answer: The impact to users is delayed availability of priority primary scale maps and related data. This impact is immediate and extends cumulatively through the completion date of 1990.

8. Question: Is this a total reduction of 200 maps or 100 maps?

Answer: The total reduction through fiscal year 1987 is 200 maps, 100 in fiscal year 1986 and 100 in fiscal year 1987.

9. Question: Because of the production delay in primary scale maps, completion of the first-time national coverage map of the United States will slip from 1989 to 1990.

a. What is the impact of this one year slip in the completion of the once over coverage?

Answer: This delay impacts availability of cartographic data to users of these data and reduces responsiveness to user needs which, in turn, may adversely impact local programs and projects. The impact results from slippages beginning in fiscal year 1986, 100 fewer maps per year, and continues cumulatively until once-over coverage is completed. Because digital cartographic data are collected from these maps, this delay also will slip their availability as source material for the National Digital Cartographic Data Base (NDCDB).

b. Is there a mandate to complete the national coverage map by 1989 or is this an internal goal?

Answer: The goal to complete national coverage with primary maps was our decision based on user needs and the need for these maps as a source for digitizing cartographic data. The 1989 date was also based on resources that were available at the time (1980) with the assumption that the resource level would remain nearly constant. Recent funding changes resulting from the Deficit Control Act necessitated adjusting the date for accomplishing this goal into 1990.

10. Question: Does the 1989 goal include primary quadrangle maps for Alaska also?

Answer: Yes, Alaska is scheduled to have complete primary map coverage in 1989. However, the Aleutian Chain and the Pribilof, St. Matthew, and St. Lawrence Islands are excluded from this schedule because the consistently adverse weather conditions make it very difficult to obtain adequate photographic source materials for mapping. The Geological Survey is pursuing alternative methods for obtaining these source materials.

## DIGITAL CARTOGRAPHY

11. Question: To comply with the Deficit Control Act, the availability of 1,500 digital line graphs, at 1:24,000 scale, will be delayed. This reduction will have an impact on current agency requests including those from the BLM, the NRC, and the Soil Conservation Service.

Agencies request these graphs for various reasons, all of which are important. For example, the Forest Service uses the data to produce special slope and aspect maps to help predict fire behavior; the Department of Defense uses the data to support Air Force training and maneuvers.

On a percentage basis, how will this delay affect annual production?

Answer: The delay of 1,500 1:24,000-scale digital line graphs (DLG's) occurs in fiscal year 1986 and results directly from the Deficit Control Act. These 1,500 DLG's represent about 20 percent of the Survey's planned 1:24,000-scale digital line graph production for the combined fiscal years 1986 and 1987. The need to maintain production of 1:100,000-scale digital hydrographic and transportation data in response to the Bureau of the Census resulted in this delay of production of 1:24,000-scale digital cartographic data in fiscal year 1986 and 1987. The impact is a one-time reduction in 1:24,000-scale digital cartographic data production. Production of these data will increase somewhat beginning in the last half of fiscal year 1987 because completion of the Bureau of the Census project will permit increased emphasis to be placed on high priority 1:24,000-scale production.

12. Question: I understand these functions are the Survey's responsibility, but has there been any discussion about increasing the amount that the outside agencies pay in an effort to fulfill these requests?

Answer: Yes, and our budget request allows for the contributions from other Federal agencies which pay for digital cartographic data in the following three ways:

1. Purchase of data existing in the National Digital Cartographic Data Base (NDCDB) - Digital cartographic data prices are set to assure the maximum amount of return above tape duplication and distribution costs.

2. Joint funding with the Survey in production costs - A number of agencies including the Bureau of Land Management, Defense Mapping Agency, and the Forest Service, and the States of Connecticut and North Carolina, currently have active joint-funding agreements with the Survey. Under these agreements funds are provided to the Survey on a reimbursable basis to cover a portion--usually 50 percent--of production costs for collecting specified base categories of digital cartographic data which are then included in the NDCDB.

3. Cooperating with the Survey by producing data to standards which permit entry into the NDCDB - The Survey is currently working with the Forest Service, the Fish and Wildlife

Service, and the State of Idaho to develop agreements whereby those agencies will collect base categories of digital cartographic data to standards to permit entry into the NDCDB. The Bureau of the Census project is conducted as a work-share project where each agency produces data to meet common needs with essentially no exchange of funds.

Each of these methods of other agency participation are negotiated in accordance with the Federal goal to avoid duplication and waste in digital cartography activities. This goal was enunciated by OMB memorandum dated April 4, 1983, and continued by a memorandum dated March 18, 1986. The prices and costs to outside agencies are reviewed periodically and revised as necessary.

13. Question: In fiscal year 1984 the Survey signed a memorandum of understanding with the Bureau of Census to digitize all hydrography and transportation categories for the U.S. by mid-fiscal 87. This will enable the Census Bureau to use the data for the enumerator maps for the 1990 census.

The first step in this process was a pilot project for the State of Florida.

How much of the $13.5 million requested in fiscal year 1987 will go to this effort?

Answer: None of the $13.5 million fiscal year 1987 request is for the pilot project in Florida as it was completed in fiscal year 1984. Data collection efforts to fulfill the requirements of the Memorandum of Understanding with the Bureau of the Census will be completed in mid-fiscal year 1987. About $3.5 million of the $13.5 million requested for fiscal year 1987 will be used for the Bureau of the Census effort.

14. Question: Does the Census Bureau have a comparable effort?

Answer: Yes, it is projected that over the life of the joint project, the resources expended by the Bureau of the Census will be equal to or exceed those expended by the Survey.

15. Question: Was the pilot program successful enough to proceed with the mid-fiscal 1987 completion date or will that date change?

Answer: Yes, the pilot project in Florida provided sufficient experience to proceed with the mid-fiscal year 1987 completion date as planned.

## SMALL-SCALE AND SPECIAL MAPPING

16. Question: According to your justification, over half of the 631 published maps of the U.S., including Alaska and Hawaii (1:250,000 scale), are in need of revision.

How is a determination made on whether a revision is necessary?

Answer: Evaluations are made based on the age of published maps and an examination of the extent of cultural changes, e.g., expanded urban areas and new highways. Many of these 1:250,000-

scale maps are over 15 years old and a shorter (5-to 10-year) revision cycle could be more appropriate to meet certain user requirements for cartographic data at this scale.

17. Question: Does a revision mean that a particular map is outdated?

Answer: Factors causing 1:250,000-scale maps - as well as other series maps - to need revision include accuracy and adequacy of content in addition to being outdated. Some of the maps in the 1:250,000-scale series are of questionable accuracy and have marginally adequate content in addition to being outdated.

18. Question: If revisions are necessary, why haven't additional funds been requested?

Answer: In these days of fiscal constraints, the Survey finds it necessary to very carefully balance resources and requirements. Under these constraints, we believe this is the proper amount for the 1:250,000-scale mapping program. The relative demand for the various cartographic products and services requires emphasis to be placed on other programs, especially Advanced Cartographic Systems.

19. Question: You are proposing a 575 thousand dollar decrease in Special Maps that will cut the number of special maps prepared with direct appropriations in half. Special maps will continue to still be prepared on a reimbursable basis.

What criteria does the Survey use to determine whether a map is prepared on a reimbursable basis or with direct appropriations?

Answer: Preparation of special maps funded by direct appropriations include products which are related to Geological Survey programs such as small-scale thematic maps (usually in the National Atlas format), special thematic atlases such as the Surface Water Atlas, and special departmental and congressional requests for cartographic products and services.

20. Question: If you are proposing a decrease in funding for special maps, do you also anticipate the demand to decrease?

Answer: There will be a reduction in the preparation of special maps which are prepared as an integral part of the Survey's program. This reduction will be accomplished by a more stringent selection process. Joint funding requests will be similarly impacted. We have no reason to believe there will be an appreciable reduction in requests for special maps.

21. Question: Can you break down the number of maps prepared with direct appropriations and on a reimbursable basis?

Answer: The amount of effort expended whether on special map products or only for cartographic support is suggested as a more appropriate measure than the number of maps prepared when comparing relative activity using direct appropriations and using reimbursable funds. This is because of the wide disparity in effort required to complete the various maps. In fiscal year 1985, for example, $2.6M was expended on special mapping. Approximately $1.5M, or 60 percent, were from direct appropriations and were spent for, among others, Landsat image maps, small-scale thematic maps, and congressional requirements for special maps and cartographic support. The remaining $1.1M, or 40 percent, were reimbursable funds and were spent for, among others, US-Mexico border orthophoto products, Antarctica maps, and DoD requested special maps.

## DISTRIBUTION CONSOLIDATION

22. Question: Last year the Survey made the decision to consolidate the map distribution centers into one location in the Denver, Colorado area. After the costs of the move are paid for, the annual savings are in the magnitude of 1 million dollars.

Could you comment on the status of this consolidation?

Answer: The consolidation of the Eastern Distribution activity in Arlington, VA, and Western activity of Denver into a single facility at the Denver Federal Center is proceeding on schedule. In fact, we plan to complete the move by the end of September 1986. The majority of the people involved have been outplaced or transferred to Denver. Currently, bulk map stocks and bulk publication stocks are being transferred to Denver. The first of three Eastern facilities was closed on April 4, 1986. The other two Eastern facilities will be closed by the end of September 1986.

## MAP INVENTORY

23. Question: Has the proper inventory level for the Survey ever been studied by a marketing expert?

Answer: Yes, Geological Survey marketing experts have evaluated the subject. Results of the analysis, which is to be completed this summer, will permit necessary inventory adjustment. A new order processing system being implemented will enhance our ability to determine and analyze the sales rate for each map and subsequently adjust the inventory.

24. Question: Could you briefly break down the cost to the Survey to make a map?

Answer: The cost to compile a new 1:24,000-scale topographic map, the predominant component of the map inventory, varies from $20,000 to $45,000, depending on the complexity of both the amount of man-made and natural features being mapped. These costs are distributed over the several years it takes for completion among field surveys (20 percent), photogrammetric compilation (60 percent), and cartographic finishing (20 percent).

25. Question: Will the consolidated distribution center contribute to a reduction in the inventory?

If so, are those savings included in the annual $1.0 million savings that will come from the consolidation of the distribution centers or is it above that figure?

Answer: Yes, the consolidation of distribution facilities will contribute to reducing the inventory. These savings are already included in the projected annual savings.

## ADVANCED CARTOGRAPHIC SYSTEMS

26. Question: You have requested an additional $4.8 million for the Advanced Cartographic Systems. This is the second year of a multi-year effort to continue the automation of the Survey's mapping process. The increase is to be used primarily for software development and equipment procurement and installation.

Can you briefly outline the status of this program, focusing on the specified plans for the 4.8 million dollar increase?

Answer: Activities to increase the automation of the mapping process and to develop capabilities to use a variety of new source materials are well underway. A major effort is being pursued by the Department of Defense's Defense Mapping Agency, and we are working closely with them under the terms of a Memorandum of Understanding to expand our capabilities in this field, without duplication of effort. The $4.8 million increase in fiscal year 1987 will permit procurement of hardware systems and supporting software necessary to place emphasis on expanding our capabililty to collect, process, and edit digital cartographic data from existing maps--graphic conversion. The Advanced Cartography System, which encompasses developing a new, integrated digital production system, can conceptionally be divided into four major functional blocks:

1. Graphic Conversion
2. Sensor Exploitation
3. Data Base Operations
4. Product Finishing

## CARTOGRAPHIC AND GEOGRAPHIC INFORMATION

27. Question: In the Cartographic and Geographic Information program, level funding has been requested in fiscal 87 yet a number of requests from other Federal agencies, States, and academia continue to increase. In an effort to meet these increased demands, the Survey has enlisted the assistance of State Governments through the State Affiliate Program.

a. Do the State Affiliate programs have the capacity and ability to offset this decrease in funding?

Answer: We get a great deal of help from the States but their capacity and ability to offset these costs are expected to vary from State to State. As such the decrease in funding will not be entirely offset.

b. If not, what will be the impact of this decrease? Will these other entities do without the data?

Answer: The decrease could impact the Survey's ability to provide data to new affiliates and the public. However, we consider State affiliates to be a most useful information outlet and will make every effort to assure that the affiliate program continues to grow.

## NATIONAL SEISMIC NETWORK

28. Question: In an effort to comply with the Deficit Control Act, your justification indicates that the Survey will not be undertaking the design and development of a new National Seismographic Network to replace outdated seismographic networks in the United States. Briefly explain how the National Seismographic Network would work.

Answer: The National Seismograhic Network would replace an aging system of regional seismographic networks supported, at a generally decreasing level, by various agencies for various purposes. It would be a framework network of about 50 stations nationwide with modern equipment. These stations would be purchased by the USGS but operated by local universities or other institutions with regional interests. Data from the 50 stations would be forwarded to the National Earthquake Information Center of the USGS to maintain the national catalog of seismicity. The electronics of each of the framework stations would be designed so that the station could serve as a recording site for data from additional, more simple, seismometers deployed by the local institution to study regional, active geologic structures.

29. Question: Has this been completely eliminated or simply delayed?

Answer: This effort has been cancelled in fiscal year 1986.

30. Question: If it has been proposed to be eliminated altogether, are the individual seismographic networks being updated separately?

Answer: No. In fiscal year 1987, we plan to discontinue support for some of the outdated networks entirely. We are currently working with other agencies and groups to jointly replace the networks with the more modern system.

31. Question: Since a strong case could be made that the existing antiquated seismographic networks are very costly to maintain, it is easy to argue that by not replacing them with the new National Seismographic Network as planned, the long run costs will be greater. Has the Survey analyzed the long run cost savings of replacing this antiquated equipment?

Answer: No, we have not analyzed the cost savings in sufficient detail to make a good estimate. The USGS and the Nuclear Regulatory Commission, which support most regional earthquake monitoring networks in the U.S., currently spend about $7 million annually on regional network operations. In fiscal year 1985, the USGS Earthquake Hazards Reduction Program spent approximately $4.3 million to support operation of 14 regional earthquake monitoring networks, most of which are located in the Western United States. The Nuclear Regulatory Commission expended $2.4 million in fiscal year 1985 to operate 4 other regional earthquake monitoring networks, all located in the Eastern United States.

32. Question: By year, what are the funding requirements for the new National Seismographic Network?

Answer: The National Network could be installed in approximately 5 years, assuming about 10 stations are developed and installed annually.

| Estimated Costs($ K) | FY 1987 | FY 1988 | FY 1989 | FY 1990 | FY 1991 |
|---|---|---|---|---|---|
| Equipment | $ 2,200 | 1,500 | 1,500 | 1,500 | 1,500 |
| Installation | 400 | 750 | 750 | 750 | 750 |
| Data Processing | 400 | 750 | 750 | 750 | 750 |
| TOTAL | $ 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |

33. Question: Has the Survey spent anything on design of the new system?

Answer: During the past 4 years in a cooperative program with substantial support from the Peoples' Republic of China and the Defense Advanced Research Projects Agency, the USGS has developed a national seismic network for China. This 10-station network, which is now being installed in China, meets many of the requirements for a national U.S. seismographic network. With certain changes, equipment designed and developed for the China network could be adapted for use in a U.S. network, and could be manufactured through integration of "off-the-shelf" electronic components.

## EARTHQUAKE FIELD WORK

34. Question: Under the Earthquake Hazards Reduction Program, fiscal 86 activities include the continuation of geological and geophysical field work and fault excavation studies in California and Utah. Proposed activities for fiscal 87 do not include any additional work. However, refinement of earthquake potential estimates in California is proposed in fiscal 87. Has the geological and geophysical field work in California and Utah been completed?

Answer: No. Geological and geophysical field studies of seismically active areas in California and Utah will likely continue for a number of years.

35. Question: Is the refinement of earthquake potential connected to this field work?

Answer: Yes. Geological and geophysical field studies are important elements in the evaluation of earthquake potential. Geological and geophysical data are used to identify and delineate seismic zones and earthquake faults, and to estimate the size and recurrence interval of earthquakes that may occur in these seismic areas.

36. Question: If so, why have you only proposed to refine the earthquake potential estimates in California and not Utah?

Answer: Earthquake potential studies are continuing in both California and Utah. As we benefit from these studies, we are able to refine the earthquake potential estimates. A major, joint State-Federal investigation of the earthquake potential and earthquake hazards of the Wasatch Front/Salt Lake City area, Utah, has been underway since fiscal year 1984. In California, detailed geological and geophysical studies are being made of several regions of the San Andreas fault that have been proposed for earthquake prediction instrument clusters. In these areas there is a high potential for moderate to large earthquakes.

## PARKFIELD FUNDING

37. Question: The Survey has increased the monitoring of the San Andreas fault near Parkfield, California, because of high potential of a strong earthquake in the next few years. In fiscal 86, the State of California provided 1 million dollars to increase the instrumental monitoring effort and provide State officials an opportunity to prepare emergency response activities. Do you anticipate the State of California continuing this funding in fiscal 87?

Answer: No. The California State Assembly passed a one-time-only appropriation of $1,075,000 from the California General Fund to develop jointly with the USGS the prototype earthquake prediction experiment near Parkfield, California.

38. Question: If not, do the Survey's plans for fiscal year 1987 include making up this or is this effort essentially complete?

Answer: The work is essentially complete at Parkfield.

39. Question. Part of the proposed fiscal 87 reduction of 2.7 million dollars in Earthquake Hazards comes from the reduction of the collection of regional seismic data. The seismometers that collect this data are operated by local universities or the Geological Survey and are located in numerous places around the country. Will the amount of data collected be reduced or will entire areas be eliminated to make this reduction?

Answer: The Geological Survey would eliminate four regional earthquake monitoring networks to make this reduction.

40. Question: If areas are being eliminated, where are they?

Answer: Four of the following five regional monitoring networks would be eliminated: a) Shumagin seismic gap, Alaska; b) Central Aleutians, Alaska; c) Anza (Riverside-Palm Springs), California; d) Western Washington State; and, e) New York State.

## VOLCANOES

41. Question: In fiscal 86, the Survey used satellites and radio-telemetry units to transmit data to local emergency officials in the debris-dammed lakes near Mount Saint Helens. In fiscal year 1987, nothing specific is proposed for this effort.

Have the prospects of failure of that dam diminished enough to justify this decrease?

Answer: With opening of the Corps of Engineers (COE) diversion tunnel between Spirit Lake and South Coldwater Creek in April 1985, the danger of Spirit Lake overtopping the debris dam was largely eliminated -- nevertheless, other threats to the stability of the debris dam remain (erosion through ground-water piping; collapse caused by future seismic or volcanic activity) -- the Geological Survey's activities continue to focus on acquiring a better understanding of long-term threats to the stability of the debris dam blockage to the natural outlet of Spirit Lake.

In addition, with operation of the COE diversion tunnel, increased flows to the Toutle and Cowlitz Rivers have the potential to transport materials from the debris blockage. Monitoring of these conditions will continue to be conducted in fiscal year 1987 for purposes of advising the COE and the State on the construction and maintenance of containment structures to trap sediments and to provide continued information for use in downstream flood warning and hazard analysis.

42. Question: Has the Survey terminated its efforts and turned the program over to State and local officials?

Answer: Monitoring efforts have not been terminated. A computer enhanced hazard warning system was designed several years ago by the USGS in consultation with the National Weather Service, the Federal Emergency Management Agency, and the State Department of Environmental Management to monitor for flood hazards in the vicinity of Mount Saint Helens. The system consists of three gaging stations at Spirit Lake and one below the lake in the North Fork Toutle River at Elk Rock. In addition, we are monitoring two other debris dams in the area: Coldwater Lake and South Fork Castle Lake. Gages with telemetry, and other electronic communicating devices, are part of the system to enable delivery of real-time information and necessary warnings to local officials. In fiscal year 1986, the operation of this "warning" system was funded jointly by the USGS and the State Department of Environmental Management ($55,000 each). USGS funding was provided through the Cooperative Program. This monitoring/warning system will continue in operation in fiscal year 1987, although some modifications may be made to the components of the system at Spirit Lake because of the diminished hazard potential at that location.

## LANDSLIDE HAZARDS PROGRAM

43. Question: You are proposing to reduce the Landslide Hazards Program by one-third in fiscal year 1987. To accomplish this, four landslide processes and mechanisms studies will be discontinued, and activities at the Landslide Information Center will be suspended. Of the four landslide processes and mechanisms studies being discontinued, are they near completion, or just starting?

Answer: Two of the projects--1) landslide processes and mechanisms study in the Rocky Mountains of Colorado, and 2) rock falls and slides in the mountains of Vermont and New Hampshire--were started in fiscal year 1985. The other two investigations, both of debris flows in Washington State, were begun in fiscal year 1982, and are nearing completion.

44. Question: Is the Landslide Information Center proposed to be closed?

Answer: Under the proposed reduction for fiscal year 1987, the Landslide Information Center (located in Golden, Colorado) will be closed.

45. Question: If so, will the activities be shifted elsewhere in the Survey?

Answer: The activities of the Landslide Information Center will be terminated. The reference collections of the Center (books, reprints, computer data tapes, etc.) will be transferred to the USGS Library in Denver, Colorado.

46. Question: Specifically, what impact will this decrease have on the State Cooperative landslide assessment studies.

Answer: The proposed decrease will require elimination of most of the State cooperative landslide assessment studies. The Geological Survey would eliminate six of the eight State Cooperative landslide assessments in fiscal year 1987.

## NORTHWESTERN UTAH GEOLOGIC MAP

47. Question: A recently completed geologic map of three quadrangles in northwestern Utah identified a thrust fault that suggests the possibility of oil and gas traps in that area. Are you aware of any further analysis that the Government or industry has done in the area as a result of the map?

Answer: No work that we are aware of has occurred in the three quadrangles since the identification of the thrust fault in early 1985. However, the petroleum industry has conducted seismic surveys and drilled exploration wells 15 miles east of the mapped quadrangles. Lack of industry work is attributable to the current economic slump in the oil industry. USGS geologic mapping and biostratigraphic work has provided a conceptual framework that may be utilized by the exploration industry but to date, because of the slump, has not been utilized to pinpoint specific targets.

48. Question: Has this geologic map been distributed?

Answer: No, the three geologic quadrangles will be published by the State of Utah's Geological and Mineral Survey in cooperation with the USGS. Two of the quadrangle maps will be submitted to the State in April 1986, and should be published by Spring 1987. The third map will be submitted and published one year later. The existence of the thrust fault and the conceptual framework have been described in a recently published scientific journal article.

## MINERAL SURVEYS ON PUBLIC LANDS

49. Question: The Federal Land Policy and Management Act of 1976 (FLPMA) mandated a wilderness review process on BLM-managed lands and required that the Survey and the Bureau of Mines do a mineral survey of each area proposed by BLM for wilderness. The mandated deadline for the Secretary to make his final recommendation is October of 1991.

The proposed workload and the funding request for this activity shows a substantial decline for fiscal year 1987. Will the decreased workload jeopardize the 1991 goal?

Answer: Staffs of the USGS, USBM, and BLM have had extensive discussions on how best to meet the mandate for completion of the wilderness review by 1991 despite reductions in the budget that supports mineral land assessment activities. Because of the decreased workload in fiscal year 1987, we expect to complete reports on mineral surveys of all BLM wilderness study areas by September 30, 1990, 1 year later than originally scheduled. This will give BLM slightly more than 1 year to prepare final action for the Secretary of the Interior, rather than the 2 years that would have been available prior to the reduction.

50. Question: Your justification indicates that completion of the final report required by FLPMA on these BLM lands will be delayed in fiscal year 1987 but accelerated the next two years to meet the 1991 deadline. Have any other activities related to this effort had a similar change in the timetable?

Answer: Yes. Subsequent to the presentation of the President's budget to Congress, we were advised by BLM staff that the recent "Sierra Club vs. Watt" decision (which overturned a Secretarial order to drop areas of "split estate" conflicts and areas under 5,000 acres from wilderness consideration) had resulted in an additional requirement to study 0.7 million acres in addition to the acreage already scheduled for study. The Survey proposes to initiate these studies in fiscal year 1988 for completion in fiscal year 1990; that proposal is currently under review within the Department.

51. Question: You are proposing a decrease of 4.8 million dollars in the National Mineral Resource Assessment Program. Your justification indicates that mineral field investigations of BLM Wilderness Study Areas will proceed as scheduled. Therefore, the majority of this reduction will come in mineral surveys of public lands in the conterminous United States that are not related to BLM wilderness. Specifically, what mineral surveys will be delayed and/or eliminated?

Answer: There will be an impact in fiscal year 1987 on activities on BLM wilderness study areas. Mineral surveys for BLM study areas normally take 3 years to complete: field investigations (and supporting laboratory work) require the first and second years, and a joint report with the Bureau of Mines is prepared the third year. In fiscal year 1987, first- and second-year field surveys will continue as scheduled, but preparation of reports will be deferred entirely until the following 3 fiscal years. This scheduling change causes operational difficulties for the USGS, but is the only means by which work can begin on all study areas, thereby minimizing the overall delay to the program.

In addition, there is a decrease of $600,000 for State of Alaska assistance to the Geological Survey for mineral surveys of the Steese-White Mountains BLM areas in Alaska.

Impacts in fiscal year 1987 to mineral surveys of non-BLM lands are as follows:

1. Planned forest-wide reports of Toiyabe National Forest, Nevada-California, and Deerlodge National Forest, Montana, will be deferred.
2. Multidisciplinary mineral resource assessments of 1:250,000-scale quadrangles in the conterminous United States and Alaska will be extended in duration in order to focus currently on areas with BLM and FS lands.

52. Question: Is it still your intent to complete the Forest Service areas by 1993?

Answer: Yes, to the maximum extent feasible, the Survey intends to complete those forest studies that are already underway. The two year regional mineral resources study of the Challis National Forest, Idaho, which began in fiscal year 1986, will be completed in fiscal year 1987. The Forest Service needs minerals information for six roadless areas in that forest which may be included in the Idaho Wilderness bill and had not been studied previously by the Geological Survey.

Legislatively critical areas within the Toiyabe National Forest are being studied in fiscal year 1986, and reports on these specific areas will be provided to the Forest Service as soon as possible thereafter. Mineral resource assessments of the Tonopah, Nevada, and Walker Lake, Nevada-California, 1:250,000 scale quadrangles are currently being prepared. These quadrangles contain almost all of Toiyabe National Forest, and the information will be provided to the Forest Service as soon as final manuscripts are available. In Montana, mineral resource assessments are being prepared for the Butte and Dillon 1:250,000 quadrangles, which contain most of the Deerlodge National Forest.

A total of 13 additional forests have been proposed by the Forest Service for study in support of their forest-wide planning process. The Survey will attempt to make mineral resource information available to the Forest Service in these areas in time for the next round of forest planning which is expected to occur in the mid-1990's. As the BLM workload decreases in the 1989 to 1990 timeframe, it is possible that the Survey may be able to complete reports for many of the requirements that the Forest Service has identified to date.

## HAILEY QUADRANGLE

53. Question: What are your plans with respect to the Hailey quadrangle?

Answer: A multidisciplinary mineral resource assesment of the Hailey, Idaho, 1:250,000-scale quadrangle is beginning, as scheduled, in fiscal year 1986. Planned studies are being broadened to include Forest Service roadless areas in the adjacent Dubois quadrangle to the east. The Forest Service needs minerals information on six areas in the Hailey and Dubois quadrangles which may be included in the Idaho Wilderness Bill but which have not been studied previously by the Geological Survey.

54. Question: Your fiscal year 1985 justification indicated that one of the new starts under consideration for mineral resource surveys was the Hailey quadrangle in Idaho. It was mentioned again in the fiscal year 1986 justification as a potential new start. Last year you testified that during fiscal year 1987, the Geological Survey would combine efforts and undertake an assessment of the Sawtooth National Forest in the future. It is now my understanding that the Hailey quadrangle is not a new start for fiscal year 1987. What are your current plans with the Hailey quadrangle?

Answer: Multidisciplinary mineral resource surveys of the Hailey, Idaho, 1:250,000-scale quadrangle have begun in fiscal year 1986, and will continue in fiscal year 1987. Major goals include:

1. Completion of a preliminary resource assessment planning document by June 1986;

2. Completion of regional field studies by October 1987;

3. Initiation by January 1987 of detailed site-specific or topical studies in response to needs determined by the preliminary assessment;

4. Completion of the mineral assessment of the entire quadrangle by October 1989;

5. Cooperation with staff of the Geological Survey of Idaho and with faculty and students of the University of Idaho, Idaho State University, and Boise State University.

The project area includes much of Sawtooth National Forest, and therefore these quadrangle studies will support directly an additional program objective of providing the Forest Service updated regional mineral and energy resource information for incorporation in that agency's next forest-wide plan.

## COAL INVESTIGATIONS

55. Question: You are proposing a reduction of 2.2 million dollars, or about 20 percent, in Coal Investigations. About half of this decrease comes in an 80 percent reduction in the Survey's share of cooperative arrangements with States. Through these cooperative arrangements, states put quality, quantity and chemical data on coal into a computer base to be used by industry and government.

If 80 percent of the funds are eliminated, does that mean that 80 percent of the cooperative agreements will be eliminated or will the Survey try to do more with less money?

Answer: The USGS will try, in cooperation with the coal-bearing States, to do more with less money. Only about 25 percent of the existing State cooperative agreements will be discontinued in fiscal year 87. The remaining 75 percent will be asked to continue in the program at the levels proposed in table A. Table A, however, only contains preliminary estimates by USGS of approximate levels of future State funding. Actual funding will depend on the results of individual State proposals and negotiations between individual States and USGS on the basis of the amounts proposed in table A.

56. Question: Has the program reached a takeoff phase and is this simply a normal phaseout of federal funds?

Answer: For the majority of States in table A, normal phaseout under continued funding at fiscal year 1985 or even fiscal year 1986 levels would not have occurred for another 5-to-7 years at current levels of data entry, although the acquisition of computer terminals by some of the States has accelerated the flow of data into the National Coal Resources Data System (NCRDS) over the past year. However, characteristics unique to those States on table A that are shown as discontinued in fiscal year 1987 (see notes a through e) have allowed a justifiable accelerated phaseout.

57. Question: Does the cost share vary by State?

Answer: Yes, in the past the level of Federal funding to each State was based on several things such as the amount of coal resources in a State and the level of effort at which each State was willing to work (table A). In the future, at proposed levels of funding, there will be much less difference between individual States (table A)

TABLE A

NCRDS - 3-year funding table of
State contracts (FY 85-87)

($ in thousands)

| State | 1985 | 1986 Actual | 1987 Estimate |
|---|---|---|---|
| Alabama | 119 | 85 | 10 |
| Colorado | 115 | 51 | 0[a] |
| Illinois | 15 | 23 | 15 |
| Indiana | 79 | 47 | 30 |
| Iowa | 40 | 26 | 0[b] |
| Kansas | 44 | 30 | 0[c] |
| Kentucky | 169 | 98 | 15 |
| Louisiana | 15 | 12 | 10 |
| Missouri | 69 | 45 | 0[d] |
| Montana | 113 | 49 | 25 |
| New Mexico | 103 | 71 | 20 |
| North Dakota | 0 | 21 | 20 |
| Oklahoma | 60 | 40 | 10 |
| Pennsylvania | 85 | 58 | 35 |
| Tennessee | 37 | 0 | 0[e] |
| Texas | 84 | 36 | 25 |
| Utah | 119 | 52 | 30 |
| Virginia | 65 | 44 | 20 |
| West Virginia | 75 | 51 | 25 |
| Wyoming | 30 | 21 | 15 |
| TOTALS | 1,436 | 860 | 305 |

Notes:

a/ Colorado data base of commercially important coals is mostly complete.

b/ Iowa has scant coal resources, its data base is more-or-less complete.

c/ Kansas has its own data base, its own minicomputers, and scant coal resources.

d/ Missouri has completed most of its coal-data entry.

e/ Tennessee did not request a grant for FY 1986.

## EXCLUSIVE ECONOMIC ZONE (EEZ)

58. Question: Very soon, the Survey will release the first part of the wide-swath GLORIA sonar surveys of the Exclusive Economic Zone. Essentially this first EEZ map of the West Coast and part of the Gulf of Mexico that will lead to a determination of the mineral potential in the EEZ. The survey is continuing to survey other EEZ areas and another atlas could be released in a year.

As I understand it, the Survey originally planned to follow up this atlas with more detailed site-specific studies with industry and academia in an effort to prove the mineral potential. This co-funded research was designed to be a way to stimulate industry.

Has the analysis that the Survey completed on the EEZ indicated that the potential is low and these additional steps were unnecessary?

Answer: No, because the resource potential evaluation of the EEZ is far from complete. To date, the USGS has only mapped the surficial morphology of the seafloor in about one-fourth of the U.S. EEZ. This mapping with the GLORIA Sonar is strictly a precursor to subsurface investigations that will assess the energy and mineral potential of the EEZ. These more detailed geological and geophysical subsurface investigations will take place, as resources permit, in areas where prior data indicate high potential for energy and mineral resources, for example, along the Gorda-Juan de Fuca Ridges, and in deep water areas that are extensions of Continental Shelf petroleum provinces.

59. Question: If not, has industry interest been so strong that further stimulation was not necessary?

Answer: The participation of industry continues to be a goal of the program, and, although specific arrangements have not been made, the USGS continues to seek means of joint involvement with industry in resource assessment and research in the EEZ. Should significant energy and mineral resources be discovered, the stimulation of industry's interest may not be needed.

## GLORIA ATLAS

60. Question: We are always looking for ways to reduce the spending and other ways to fund programs. The Survey will be selling the GLORIA Atlas for 30 dollars each.

What do you anticipate the demand to be for this atlas in the first year?

Answer: We have reevaluated the costs of reproducing and distributing the GLORIA Atlas and determined that an increased price of $45 is more appropriate. Although it is difficult to precisely forecast at this early stage, we anticipate the demand to be about 400 copies in the first year. There are seven atlases planned to cover U.S. coastal waters, this atlas is the first of these. The market can be more accurately determined following the initial sales.

61. Question: Was the price set by the Government Printing Office or by the Survey?

Answer: The Survey set the price of the EEZ GLORIA Atlas. The Atlas was published by the Geological Survey and is disseminated as a bound portfolio of maps. As it is considered a map product, the Survey set the price rather than Government Printing Office, which sets the price of publications.

62. Question: Do you know what factors went into determining that price?

Answer: The Survey established the price based on the costs that are required to be recovered by law. Those are the costs related to reproduction and distribution of map products such as the GLORIA Atlas. The principal factors which went into the price include printing, binding, and storage, and distribution.

63. Question: Is there reason to believe that the Survey would sell less Atlases if the price were 50 dollars?

Answer: It can be assumed that less copies might be sold if the price were higher, however, once the market for the initial EEZ GLORIA Atlas is known, pricing of future editions in the series will be reevaluated.

## GEOTHERMAL INVESTIGATIONS

64. Question: You are proposing a 350 thousand dollar reduction by postponing the initiation of the synthesis of information from investigations of the geothermal environment of the Cascade Range. As a result of this postponement, the revision of preliminary estimates of undiscovered geothermal resources in the Cascades will be delayed. In addition, the availability of resource models to be used in developing a Cascades Geothermal Drilling Program will also be delayed. Will the basic work in this program continue or are you proposing a one year delay?

Answer: Approximately half ($350,000) of the proposed fiscal year 1987 Geothermal Program decrease will be accomplished through reductions in investigations leading to a comprehensive assessment of the geothermal resources of the Cascade Range. Most of the multidisciplinary studies to understand the tectonic, geologic, and hydrologic framework for characterizing and quantifying the Cascades geothermal resources will continue; however, a) volcanic mapping and related studies, b) hydrologic studies addressing the problem of widespread masking of thermal manifestations by deeply circulating cold groundwater; and, c) geophysical support for these hydrologic studies will be reduced.

## OIL AND GAS ESTIMATES

65. Question: Early last year, MMS released a report estimating the undiscovered economically recoverable oil and gas resources for the OCS. This analysis revised downward the 1981 USGS estimates by 55 percent for oil and 44 percent for gas.

In the fiscal year 1986 Continuing Resolution, Congress requested that MMS be the lead agency with the Geological Survey in preparing another resource estimate scheduled for release sometime in 1987. Congress doesn't want two separate agencies within the Department of Interior releasing conflicting estimates of oil and gas resources.

Can you explain what your responsibility was in compiling these estimates in the past and how that differed from MMS's responsibility?

Answer: Prior to the creation of MMS, the USGS performed oil and gas resource estimation for the entire national domain. The transfer of OCS regulatory responsibilities to MMS included the preparation of all OCS appraisals, including resource estimates for the biennial reports required under Section 606 of the OCS Lands Act, resource estimates of OCS planning areas and for the sale alternatives within these planning areas, resource estimates for preparation of the 5-year OCS lease sale schedule, resource estimates for oilspill trajectory analysis, and resource estimates connected with fair market value determinations. This includes estimates for energy minerals and, as required, nonenergy minerals.

The USGS's responsibilities, with respect to resource estimates, are to provide resource assessments of the national domain regarding both energy and non-energy minerals. Within DOI, USGS has lead-agency responsibility onshore and in State waters, and MMS on the OCS. The USGS's OCS responsibilities include the collection of new data which is fundamental to its research mission of general or regional geologic analysis of the continental margins and the preparation and synthesis of resource data and information generated as a result of research. In order to avoid duplicating MMS efforts, the USGS has been taking advantage of the resource aspects of MMS work and has been gathering supplemental geologic information for the EEZ beyond areas where industry data are available.

Coordination of MMS and USGS efforts in resource estimation is accomplished under a memorandum of understanding and through a USGS/MMS coordination committee.

66. Question: How will those responsibilities change when the next report is released?

Answer: The responsibilities of the two agencies will not change, however, there will be closer collaboration in the preparation of resource estimates under the recently concluded joint plan for the preparation of new national oil and gas estimates.

In response to the fiscal year 1986 Congressional request, a National Assessment of Oil and Gas Resources will be conducted jointly by the Minerals Management Service and the USGS. The target date for completion of this assessment is the first quarter of calendar year 1988, at which time a joint publication will be issued addressing the undiscovered oil and gas resource potential of the United States onshore domain (including State waters) and offshore areas. The MMS and USGS are sharing the technical preparation and publication responsibilities, the MMS has lead-agency responsibility for developing the offshore resource estimates and USGS has lead-agency responsibility for developing resource estimates for U.S. onshore areas and State waters.

MMS will use its established data base and evaluation and assessment methodologies in conjunction with additional appropriate input and supporting information from USGS concerning the regional geologic setting of offshore areas, worldwide petroleum basin geology, and other resource assessment methodology.

67. Question: Were you consulted by MMS prior to the release of their estimates in 1985?

Answer: No. USGS did not participate in the preparation of the resource assessment, but was made aware of the new estimates by MMS prior to their publication.

## COASTAL EROSION

68. Question: Since Louisiana's coastal erosion is the severest of all states, Congress added 1.5 million dollars in fiscal year 1986 to study coastal erosion in Louisiana. The Survey is proposing to discontinue this study in fiscal year 1987.

This work is an outgrowth of a study the Survey released last year that suggested a five year program at a cost of 2 million dollars a year.

What will the status of the Louisiana work be at the end of fiscal year 1986?

Answer: By the end of fiscal year 1986, the Louisiana coastal study will have produced maps showing historical changes in the barrier islands over the last 100 years, as well as some data on current movement and sand transport in sample areas of the overall proposed study area. Documentation on the effects of the major hurricanes of 1985 is also expected to have been completed. In addition, a close working relation with the Louisiana Geological Survey will have been established.

69. Question: What is the cost of the required equipment that has been purchased? Has all the necessary equipment been purchased?

Answer: The cost of equipment acquisition to date has been approximately $116,000, covering most of the equipment requirements.

70. Question: If the Louisiana work was only going to be funded for one year and then cancelled, why weren't the FY86 funds proposed for rescission or deferred?

Answer: The work completed will have continuing value and provide an example that might guide such studies in the future, should States wish to conduct such on their own.

71. Question: Is the Louisiana analysis something that has broad application?

Answer: Yes, investigations in Louisiana have both site-specific aspects and a broad potential to apply the results to other eroding segments of the national coastline. Any improvement in the understanding of the coupling between geological factors (sediment mass properties, sources and sinks of transported material) and oceanographic forces (wave and wind climate and nearshore current regimes) permits developing cause-effect models that can be applied to problems at other coastal sites.

## OIL SHALE HYDROLOGIC INVESTIGATIONS

72. Question: In Water Resource Investigations, you are proposing

to terminate activities associated with appraising the hydrologic implications of oil shale development.

Are you proposing this termination because there is a lack of interest in oil shale development, or has the program been completed?

Answer: Oil shale hydrologic investigations have been conducted by the U.S. Geological Survey (USGS) since fiscal year 1975 to develop baseline hydrologic data on the quantity and quality of surface and ground water in the oil shale areas of Colorado, Utah, and Wyoming. Appropriations for oil shale hydrology activities of the USGS have been reduced significantly over the past 5 years. Funding for oil shale was $3.3 million in fiscal year 1981, compared to about $300,000 in fiscal year 1986. As a consequence, the oil shale program has been scaled back, enabling support for a very low level of investigation in three western oil shale basins -- all long-term data collection activities were terminated in fiscal year 1984 and fiscal year 1985, with the exception of six gaging stations which were once funded wholly or in part by the Oil Shale Program and are now being funded through the Federal/State Cooperative Program. Continuation of the remaining small-scale oil shale hydrology effort could not be justified, considering the low level of interest in the near-term development of this resource.

## REGIONAL AQUIFER-SYSTEM ANALYSIS

73. Question: In Regional Aquifer System Analysis Program (RASA) outputs you are proposing a $2 million reduction or 14 percent for fiscal year 1987. To accomplish this reduction, your plans are somewhat vague. The justification states that you will "postpone indefinitely" the start of two Phase I aquifer studies, "suspend" one ongoing Phase I aquifer study, and begin one Phase II aquifer study at a "lower level of effort."

Could you explain the difference between "postpone indefinitely," "suspend," and "at a lower level of effort."

What is the breakdown of the $2 million savings between these three studies?

Answer: To "suspend" a project is to stop an ongoing project; to "postpone indefinitely" is to delay the planned start of a new project; and to conduct a project at a "lower level of effort" is to provide less funding than originally planned.

Distribution of the FY 1987 $2 million decrease is as follows:

| | |
|---|---|
| 1. The FY 1986 planned start of a Phase I study of the Ohio-Indiana Carbonates and Glacial Valleys aquifer system has been postponed because of the FY 1986 sequestration. An attempt to start the program in FY 1987 must continue to be postponed because of a proposed further FY 1987 program reduction. | -800K |
| 2. The planned FY 1987 start of the Appalachian Valleys and Piedmont Phase I RASA will be postponed. | -450K |

| | | |
|---|---|---|
| 3. | The planned FY 1987 start of the Northern Rockies Intermontane Basin Phase I RASA will be postponed. | -450K |
| 4. | The Atlantic Coastal Plain Phase II RASA will start in FY 1987 at a lower level of effort. The $150,000 reduction will leave $150,000 in funding to start this project. | -150K |
| 5. | The Central Midwest Phase II RASA will also start in FY 1987 at a lower level of effort. The $150,000 reduction will leave $150,000 in funding to start this project. | -150K |
| TOTAL | | -2,000K |

## NUCLEAR WASTE HYDROLOGY

74. Question: You are proposing a decrease of $4.1 million, over 50 percent, in Nuclear Waste Hydrology. To accomplish this, the Survey will focus on the disposal of low-level radioactive waste and decrease research on the disposal of high-level nuclear waste.

Besides the Geological Survey, other federal agencies including the Department of Energy, the Environmental Protection Agency, and the Nuclear Regulatory Agency have ongoing activities to identify an acceptable site for a geologic repository in the near future.

a. Question: Will the Survey continue to provide support to these other agencies on a reimbursable basis?

Answer: Yes, the USGS has a substantial reimbursable program with the Department of Energy (DOE). Under this program, the USGS provides earth-science expertise to the DOE in the effort to select and evaluate a national repository for the disposal of high-level radioactive waste materials. This selection and evaluation process is driven by the requirements of the Nuclear Waste Policy Act of 1982. Over the next several years, we anticipate significant growth in this reimbursable program, especially as it relates to USGS involvement in the hydrogeologic evaluation of the Nevada Test Site as a candidate for the first waste repository.

b. Question: By not doing this work or doing it on a reimbursable basis, isn't the Survey shifting the burden of complying with the Nuclear Waste Policy Act of 1982 to those other agencies?

Answer: No. Under the reimbursable program with the DOE, the USGS will continue to be actively involved in efforts to find an effective solution to the problem of disposing of high-level nuclear waste. The Nuclear Waste Policy Act of 1982 mandated responsibility for locating, constructing, operating, and decommissioning the first repository for civilian high-level radioactive waste to the DOE. The DOE has proceeded according to the act and is supporting many high-level waste studies similar to those USGS efforts that are paralleling (but not duplicating) those of the DOE. The USGS will continue to offer its available expertise for advice, consultation, and review in matters concerning high-level radioactive waste, and will continue field investigations and research in low-level radioactive waste.

## ACID RAIN

75. Question: In the past several weeks, there have been a number of studies relating to the causes and effects of acid rain. Included in these reports are various recommendations on what can and should be done to solve this problem.

You are proposing to scale back your efforts in the Acid Rain Program in fiscal year 1987 by $300,000 or 10 percent.

Is this a normal slowdown in the scope of the Survey's program or a budgetary decision?

Have you had an opportunity to review the various studies that have been done on this subject and see how they compare with the Survey's analysis?

Answer: The proposed fiscal year 1987 reduction of $300,000 does not reflect a planned slowdown in the USGS Acid Rain Program. The areas within the Acid Rain Program selected for reduction were chosen to have minimum impact on the overall program. The reductions would predominantly impact the research and investigations component of the program and would not threaten that portion of the interagency acid rain monitoring network directly funded by the USGS. The national network consists of 150 monitoring stations, of which 50 are funded by the USGS.

We have carefully reviewed the reports of the General Accounting Office (December 1985), the Special Envoys on Acid Rain (January 1986), and the National Research Council (March 1986), and on those portions of the reports where the USGS has the necessary scientific background to comment we agree with the description of the National Acid Precipitation Assessment Program, the assessment of the state of knowledge about acid rain in this country, and the identification of the most fruitful areas for acid-rain research that they contain. All three reports utilized information developed by the USGS through its Acid Rain Program. USGS authors contributed directly to the National Research Council report, and the USGS was a co-funder of the study leading to the report.

## WATER USE

76. Question: Your justification states that the Survey will reduce, across the board, each of the 26 "fully implemented" state water programs in order to comply with the Deficit Control Act.

Does this mean that the "partially implemented" water programs are not subject to sequestration?

If so, what is the across the board cut that "fully implemented" state water programs will be taking?

Answer: Under the fiscal year 1986 sequestration, each of the 26 fully implemented State water-use programs would be cut by approximately $6,000 in Federal matching funds from the $85,000 average planned funding level prior to sequestration. Larger, fully operational programs are better able to absorb a small, one-time reduction in funds. The USGS chose not to reduce those State programs which are in the developmental stage because this could endanger the goal of eventually attaining fully implemented water-use efforts in every State.

## STATE WATER RESOURCES RESEARCH INSTITUTES AND NATIONAL RESEARCH GRANTS PROGRAMS

77. Question: I would like to commend you for requesting funds for the Water Resource Institutes. The fiscal year 1987 request is 27 percent below the fiscal year 1986 enacted level, but the fact that some funds are included indicates the importance of this program.

Last year, Congress added $1.3 million to the Survey for the administration of the Institutes and the separate research grants program, and I note that the Survey has not requested funds for administration.

The authorizing legislation requires that no more than 15 percent be spent on administration of these programs. The authorization is not specific on whether this includes federal as well as state administrative costs. You obviously have concluded that this 15 percent ceiling includes only federal administrative expenses.

Can you estimate the state administrative expenses as well as a breakdown of federal administrative costs for the Water Institutes program?

Can you provide the same estimate for the research grants program?

Since the Survey is only scheduled to evaluate 22 programs in fiscal year 1987, down from 29 in fiscal year 1986, do you anticipate a reduction in administrative costs in fiscal year 1987?

Answer: Costs incurred by the USGS in administration of the programs authorized by the Water Resources Research Act are estimated to total $1.3 million in fiscal year 1987. The USGS would return to the previous practice of funding program administration from the amounts appropriated to the Institutes and Research Grants Programs rather than through a separate Administration program element account. In fiscal year 1987, it is proposed that $500,000 of the funds requested for all programs under the Water Resources Research Act would be used for administration. This represents 7 percent of the total appropriation and is well within the 15 percent limit for Federal administrative expenses that is specified in Section 107 of Public Law 98-242. Funds that remain available under Public Law 95-467 would be employed to supplement the administrative requirements of the program. It is estimated that $800,000 in prior year appropriations under P.L. 95-467 would remain available at the beginning of fiscal year 1987. All of this amount, as well as the $500,000 mentioned above, would be expended in fiscal year 1987 for program administration purposes. Although the number of Institutes to be evaluated in fiscal year 1987 is forecast at 23 (compared to 28 in fiscal year 1986), this will not result in a reduced requirement for resources to administer the program. The administration workload may actually increase slightly in fiscal year 1987 because of the need to re-evaluate those Institute Programs found to be deficient in fiscal year 1986. Thus far, two Institutes have been placed on a 1-year probation, during which time corrective actions must be taken to maintain their eligibility.

We estimate that administrative costs incurred by the 54 Institutes, and charged against the Federal grant, will total approximately $1.0 million in fiscal year 1986 -- an average of $18,500 per Institute. This represents about 15.5 percent of the total Federal funding of $6,436,000 available through Section 104 of Public Law 98-242 prior to sequestration. Administrative activities of the Institutes include the solicitation and evaluation of proposals from the academic community, the preparation of proposals for submission to the USGS, the oversight of research and information transfer functions of the Institute, and the preparation of required annual reports on their programs.

The USGS does not have information with which to estimate the administrative costs incurred by recipients of grants under the National Water Resources Research Grants Program.

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## Questions Submitted by Senator Dennis DeConcini

### DATA COLLECTION AND ANALYSIS

1. **Question:** Mr. Director, I am particularly concerned about the possible impacts of the budget reductions proposed for FY 87 in your Water Resources and Information programs. It seems to me that at a time when the Federal government is reducing funding support for flood control, waste treatment and for many water-related programs, the Survey's data collection and information programs will become more crucial to state and local governments and to the general public than ever before.

In Data Collection and Analysis Programs, I read that you will have to discontinue the collection of hydrologic data at 20 surface-water and 40 ground-water sites. Where are those sites and what are the possible consequences of eliminating this data?

**Answer:** The sites referred to in the question where data collection activities would be discontinued reflect the impact of the fiscal year 1986 sequestration on those stations supported by the Water Resources Investigation--Federal Program. The fiscal year 1986 sequestration under the Federal/State Cooperative Program will require additional station closures. The fiscal year 1987 proposal involves further reductions in funding for hydrologic data collection. A summary of the numbers of hydrologic data collection stations where monitoring would be discontinued in fiscal year 1986 and fiscal year 1987 follows:

| | Number of Stations to be Shut Down in FY 1986 | |
|---|---|---|
| Type of Station | Supported under Federal Program | Supported Under Federal/State Cooperative Program |
| Surface Water (Continuous record of stream discharge) | 20 | 100 |
| Ground Water (Continuous record of water levels) | -- | 150 |
| Ground Water (Periodic long-term record of water levels to determine trends) | 40 | 300 |

| Type of Station | Number of Stations to be Shut Down in FY 1987 (Includes those terminated in FY 1986) | |
|---|---|---|
| | Supported under Federal Program | Supported Under Federal/State Cooperative Program |
| Surface Water (Continuous record of stream discharge) | 60 | 120 |
| Ground Water (Continuous record of water levels) | -- | 200 |
| Ground Water (Periodic long-term record of water levels to determine trends) | 100 | 350 |
| Ground Water Quality (Periodic long-term record to determine trends) | -- | 150 |

We are in the process of determining the location of individual data-collection sites (stations) to be discontinued in fiscal year 1986 as a result of sequestration and in fiscal year 1987 as a result of further proposed program reductions. Efforts will be made to select the sites to insure that their discontinuance will minimize the impact on the integrity of the national network. To accomplish this, the requirements of concerned Federal, State, and local agencies are being considered. The closure of these stations will detract, to some extent, from the general body of hydrologic information available for water-resource management and evaluation purposes. The effects could vary geographically depending upon the final determination of which data-collection sites would be discontinued for USGS funding and whether State and local agencies are able to continue operation of the stations using their own resources.

2. Question: You also state that you will have to defer rehabilitation, repair and replacement of surface water gaging stations which have been damaged or destroyed by flooding, vandalism, and aging. Are those gaging stations important to flood warning systems? Could you explain to the Committee which ones will be affected?

Answer: Routine rehabilitation and maintenance of stations in the national hydrologic network has proceeded at a slow pace over the last several years, reflecting the availability of funds. Every effort is made to insure the proper functioning of those stations relied upon to provide vital information in life threatening situations such as during periods of flooding. It should be noted that flooding events which occurred in several eastern States in the fall of 1985, and more recently in California and Nevada, resulted in damage to a number of USGS hydrologic monitoring stations. Thirty-four hydrologic stations were damaged or destroyed in Puerto Rico, Pennsylvania, Virginia, and West Virginia as a consequence of floods which occurred in October and November of 1985. An additional 73 hydrologic stations were damaged or destroyed in California and Nevada during the flooding which occurred in that region in February 1986. The USGS is in the process of attempting to identify a source of funds with which to repair these damages. Some work has already begun to replace a series of stations in West Virginia which are critical to the flood forecasting responsibilities of the National Weather Service.

## NATIONAL WATER DATA AND INFORMATION ACCESS PROGRAM

3. Question: Are your National Water Data and Information Access Programs currently being utilized by state and local governments to improve water management, as well as to provide an index of available scientific literature? In what ways? How could the WRSIC and NAWDEX programs be expanded or improved to be of further assistance to local administrators and managers? What would be the estimated costs?

Answer: Yes. These programs respond to thousands of requests for data and information made by State and local governments each year through the National Water Data Exchange (NAWDEX) and Water Resources Scientific Information Center (WRSIC) user-assistance programs. NAWDEX provides direct computer access to the indexing and water-data systems of the USGS and the U.S. Environmental Protection Agency. WRSIC provides a monthly compilation of publication abstracts to most Federal, State, and local agencies and provides direct access to its computerized bibliography through Federal and commercial time-sharing services. NAWDEX also provides indexing information and water data to support the maintenance of a number of State-level data systems including systems operated in the States of Idaho, Texas, Virginia, Iowa, and Nebraska.

WRSIC and NAWDEX could be expanded and improved to be of further assistance to local administrators and managers by: (1) expanding their water-data and publication indexing programs to provide more current information; (2) including WRSIC services in all 76 NAWDEX Assistance Centers to make this service more widely available at the local levels; (3) providing more direct access to their automated data and information systems; (4) and developing and making more products and assistance services available that have relevance to local conditions and current issues. The Survey does not have immediate plans to pursue this type of assistance within the constraints of the present budget.

4. Question: In what ways does the Survey make information available to the public? Is this information available in USGS offices in each state and relevant to local conditions?

Answer: The Survey makes its published information available through the National Technical Information Service, its Open File Services Section, and its Public Inquiry Offices. Its computerized data and information are made available by direct-access services and through its NAWDEX program. NAWDEX coordinates the operation of a national network of assistance centers located in 45 States, the District of Columbia, and Puerto Rico. These assistance centers maintain information relevant to local conditions, and have personnel available for consultation who are well versed in local problems and conditions. The WRSIC water-resources data base is made available throughout the world by commercial online services.

5. Question: How could the public be better informed or even take better advantage of the information that is now available?

Answer: Personnel in the NAWDEX Assistance Centers frequently assist public users in the awareness of information and data available, and how to take better advantage of the data and information that are available. Greater efforts could be made to actively tell the public what services are available rather than passively inviting them to come and use them. This would be responsive to the provisions of OMB Circular A-67 to maximize water-data use, to provide data, and to assure effective data resources use through a water-data coordination program.

6. Question: In your opinion, are information dissemination and transfer programs cost effective?

Answer: The multiple use of data and information is highly cost effective. Assistance centers are cost effective to the users because they reduce search time for data and information and reduce the time necessary for data acquisition. Having large volumes of information available through a centralized source on the existence and availability of data and information from a large number of sources and pertaining to a wide range of technical disciplines is cost effective in that it makes more data and information available to individual users, discourages and reduces the redundant collection of data, makes data and information available to a much wider range of users, and improves coordination and cooperation between the collector and user communities. Comprehensive bibliographic files are particularly important in times of budgetary restraint. These files enable us to avoid redundancy and overlap in starting new research projects. They also permit us to build on the work of those who have gone before us.

## Questions Submitted by Senator Dale Bumpers

### WATER RESOURCES INVESTIGATIONS

1. Question: The USGS has the principal responsibility within the federal government for appraising this country's water resources and for providing hydrologic information. This is a very important responsibility as concern deepens about the quality and quantity of our water resources. I receive letters every day from people in my state concerned about the deterioration of the quality of our Nation's water.

The budget justification stresses the importance of research and analysis of our Nation's surface- and ground-water resources. Yet, the FY 87 USGS budget request for federal programs under Water Resources Investigations is approximately $10 million less than the FY 86 level of funding.

a. Question: What activities will be curtailed or eliminated as a result of this reduction?

Answer: The specific activities which will be curtailed or eliminated are identified in the U.S. Geological Survey (USGS) fiscal year 1987 Budget Justification document. Highlights of those reductions, which total $9.85 million, identified in the Federal Program component of the Water Resources Investigations activity follow:

-- A $2.149 million reduction is proposed in the Federal Program--Data Collection and Analysis. This proposal involves reducing the number of locations at which water data is collected, and deferring some maintenance and rehabilitation of stations in the national network. The frequency of water-quality sampling at National Stream Quality Accounting Network and Hydrologic Benchmark stations would also be reduced. Funding for hydrologic investigations associated with the Acoma/Pueblo in New Mexico would be returned to the FY 1985 level. Activities associated with appraising the hydrologic implications of oil shale development would be terminated.

-- A $0.293 million reduction is proposed for the National Water Data and Information Access Program. This proposal involves reducing the level of activities associated with inventorying, cataloging, and providing user access to water-resources data and information.

-- A $2.0 million reduction is proposed for the Regional Aquifer-System Analysis Program. This proposal involves postponing indefinitely the start of Phase I regional aquifer system studies in the Appalachian Valleys/Piedmont and the Northern Rockies Intermontane Basin. In addition, the start of a Phase I study of the Ohio-Indiana Carbonates and Glacial Aquifer System, postponed in FY 1986 because of sequestration, would continue to be postponed in FY 1987.

-- A $0.701 million reduction is proposed for the Core Program Hydrologic Research. This reduction would discontinue dedicated funding for ground-water research by the Oregon Graduate Center.

-- A $0.307 million reduction is proposed for the Improved Instrumentation Program. This reduction involves terminating several projects involved in examining the cost-effectiveness of employing satellite technology in the operation of hydrologic data networks. Reductions would also occur in software and hardware development activities associated with the capture, management, and analysis of real-time hydrologic data.

-- A $4.1 million reduction is proposed for the Nuclear Waste Hydrology Program. This proposal involves altering the focus of the directly appropriated program to concentrate principally on research and investigations associated with the disposal of low-level radioactive materials. A modest review and coordination function associated with the earth-science aspects of high-level radioactive waste disposal would be retained. Most remaining USGS involvement in research and investigations with regard to high-level radioactive waste issues would be done on a reimbursable basis for other Federal agencies such as the Department of Energy.

-- A $0.3 million reduction is proposed for the Acid Rain Program. This proposal involves discontinuing instrumentation research and some experimental monitoring activities for trace metals, as well as reducing the number of sensitive lakes and streams that are monitored for the effects of acid precipitation. The reduction would not threaten USGS support for the operation of the present interagency national acid rain monitoring network. This network consists of 150 monitoring sites, about one-third of which are operated by the USGS.

b. Question: Which Federal agencies make use of the data and research produced and compiled under USGS Water Resources Investigations programs?

Answer: The USGS frequently is requested by other Federal agencies to assist them on a reimbursable basis in supplying hydrologic information and expertise pertinent to their specific needs. About 40 other Federal agencies presently have reimbursable agreements with the USGS under which activities in the area of water resources are performed. In fiscal year 1986, an estimated $40-50 million in reimbursements from these other Federal agencies are anticipated. In addition, the USGS routinely publishes and makes available in other forms (e.g., computerized access) all of the data and information generated through the conduct of research, investigations, and the operation of the national water-data networks. This information is multipurpose and is available to all interested parties. This information becomes a basis for a variety of resource evaluation and water-management decisions. For example, about 3,000 of the USGS surface-water data stations are currently used by the National Weather Service for flood forecasting.

Some examples of the work performed by the USGS for other Federal agencies on a reimbursable basis include:

-- Department of Energy: to study hydrologic conditions and effects on the hydrologic environment of underground nuclear-explosion test sites and of existing and potential nuclear waste disposal sites; and to conduct research on the interaction between radioactive materials and various geohydrologic environments.
-- Corps of Engineers: to collect hydrologic information for use in the management and design of public works projects to include dams, reservoirs, and flood control projects.
-- Environmental Protection Agency: to conduct studies related to municipal waste-disposal sites, relationship of ground water to lakes; to collect water-quality information and provide hydrologic assistance for toxic-waste clean-up actions.

c. Question: What effect will the requested reduction have on the ability of these agencies to fulfill their responsibilites of protecting and monitoring our Nation's water resources?

Answer: Reductions in the Geological Survey's directly appropriated water resources programs will limit, to some extent, the availability of information to a wide range of users, including other Federal agencies. Areas where these reductions would be made were chosen so as to enable the continued provision of information considered most critical. For example, efforts will be made to select the sites where data collection activities will be discontinued to minimize the impact on the integrity of the overall national network, especially with regard to stations employed for flood forecasting. To accomplish this, the requirements of concerned Federal, State, and local agencies are being considered. The impact of fiscal year 1987 changes in the budgets of other Federal agencies could affect their ability to maintain reimbursable programs with the USGS. We do not have sufficient information at this time to enable us to estimate with any precision the prospects for reimbursable funding from these other Federal agencies in fiscal year 1987.

## NATIONAL WATER-QUALITY ASSESSMENT PROGRAM

2. You have requested $3 million in FY 87 for the National Water-Quality Assessment Program, an increase of $515,000.

a. Question: How is the development of this interagency effort progressing?

Answer: The USGS has been presenting its plans for this program to a wide variety of interested agencies and groups: most notably the Environmental Protection Agency, the U.S. Department of Agriculture, the Water Science and Technology Board of the National Academy of Sciences, and State water agencies and groups representing them. The USGS has also actively participated in a Department of the Interior task force assembled to examine the legal, conceptual, organizational, and financial basis for a national water-quality assessment. Through this process, plans for the program have undergone intensive review and evaluation. Modifications in the program design have been made and a prototype level program is being implemented in fiscal year 1986. Seven pilot studies have been selected, and water-quality assessment activities will begin in these areas in fiscal year 1986. These pilot studies will allow the USGS to begin to test, and modify as necessary, its plans for the program and to establish appropriate collaboration efforts with Federal, interstate, State, and local agencies having important water-management and water-information missions.

b. Question: What role do you anticipate the USGS playing in a continuing national water-quality assessment program?

Answer: If the pilot studies indicate the desirability and feasibility of continuing the program, we anticipate that the USGS would be the lead agency in the conduct of any subsequent National Water-Quality Assessment Program. Other Federal, State, and local agencies will have significant roles in carrying out aspects of it. One mechanism for this other agency involvement would be through the use of the existing Federal and non-Federal advisory committees, as well as the establishment of liaison groups at the study unit level. (A study unit is a river basin or portion of an aquifer several thousand square miles in area.) These liaison groups would have representation of key Federal, interstate, State, and local water agencies. They would review and comment on USGS plans and information products. They would also provide a forum for identifying opportunities where the USGS program can serve to better satisfy specific local and regional needs along with national needs, and find ways that various other agency data-acquisition and research programs would complement this national program. Opportunities would be sought where particular focused data and research programs can be nested within the assessment structure. This might occur by USGS personnel carrying out studies with cooperative or other agency funding, or by other agencies (e.g., Fish and Wildlife Service, Agricultural Research Service, or a State water agency) carrying out a coordinated study with their own funding.

3. Question: The budget justification states that the National Water-Quality Assessment Program would build upon an existing base of ongoing USGS water-quality activities.

What effect will the planned reductions in USGS water resources investigations programs have on the development and the effectiveness of the National Water-Quality Assessment Program?

Answer: The areas identified for reduction in fiscal year 1987 were chosen so as to minimize the impact on programs upon which a National Water-Quality Assessment Program must rely for fundamental support. For example, programs supporting water-quality research, such as Toxic Substances Hydrology, were specifically exempted from reduction. Reductions were limited in basic data programs which supply information on the availability and flow of surface- and ground-water resources, recognizing the vital nature of this information in any effort to assess water-quality conditions.

## DATA COLLECTION AND ANALYSIS

4. Question: The budget justification states that the USGS will discontinue the collection of hydrologic data at a number of surface-water and ground-water sites due to reductions under Gramm-Rudman-Hollings and reductions requested in FY 1987 program levels.

a. Question: At how many sites will data collection be discontinued in 1986? In 1987?

Answer: A summary of the numbers of hydrologic data collection stations where monitoring would be discontinued in fiscal year 1986 and fiscal year 1987 follows:

| | Number of Stations to be Shut Down in FY 1986 | |
|---|---|---|
| Type of Station | Supported under Federal Program | Supported Under Federal/State Cooperative Program |
| Surface Water (Continuous record of stream discharge) | 20 | 100 |
| Ground Water (Continuous record of water levels) | -- | 150 |
| Ground Water (Periodic long-term record of water levels to determine trends) | 40 | 300 |

| | Number of Stations to be Shut Down in FY 1987 (Includes those terminated in FY 1986) | |
|---|---|---|
| Type of Station | Supported under Federal Program | Supported Under Federal/State Cooperative Program |
| Surface Water (Continuous record of stream discharge) | 60 | 120 |
| Ground Water (Continuous record of water levels) | -- | 200 |
| Ground Water (Periodic long-term record of water levels to determine trends) | 100 | 350 |
| Ground Water Quality (Periodic long-term record to determine trends) | -- | 150 |

b. Question: Where are these sites located?

Answer: We are in the process of determining the location of individual data-collection sites (stations) to be discontinued in fiscal year 1986 as a result of sequestration and in fiscal year 1987 as a result of further proposed program reductions. Efforts will be made to select the sites to insure that their discontinuance will minimize the impact on the integrity of the national network. To accomplish this, the requirements of concerned Federal, State, and local agencies are being considered. The closing of these stations will detract, to some extent, from the general body of hydrologic information available for water-resource management and evaluation purposes. The effects could vary geographically depending upon the final determination of which data-collection sites would be terminated.

## SUBCOMMITTEE RECESS

Senator DeConcini. That concludes our hearing for today and the subcommittee will stand in recess until 2 p.m. Tuesday, March 5 when we will receive testimony from the Forest Service.

[Whereupon, at 2:40 p.m., Thursday, March 20, the subcommittee was recessed, to reconvene at 2 p.m., Tuesday, March 5.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1987

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TUESDAY, MARCH 25, 1986

U.S. Senate,
Subcommittee of the Committee on Appropriations,
*Washington, DC.*

The subcommittee met at 2:10 p.m., in room SD-138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure, Cochran, Andrews, Hatfield, Byrd, and Bumpers.

## DEPARTMENT OF AGRICULTURE

### Forest Service

STATEMENTS OF:
- PETER C. MYERS, ASSISTANT SECRETARY, DEPARTMENT OF AGRICULTURE
- R. MAX PETERSON, CHIEF, FOREST SERVICE

ACCOMPANIED BY:
- F. DALE ROBERTSON, ASSOCIATE CHIEF
- JEFF M. SIRMON, DEPUTY CHIEF, PROGRAMS AND LEGISLATION
- ELDON W. ROSS, ASSOCIATE DEPUTY CHIEF, RESEARCH
- ALLAN J. WEST, DEPUTY CHIEF, STATE AND PRIVATE FORESTRY
- WILLIAM L. RICE, DEPUTY CHIEF, ADMINISTRATION
- JOHN A. LEASURE, DIRECTOR, PROGAM DEVELOPMENT AND BUDGET
- DENNIS KAPLAN, CHIEF, BUDGET CONTROL AND ANALYSIS
- JAMES C. OVERBAY, NORTHERN REGION
- JAMES F. TORRENCE, ROCKY MOUNTAIN REGION
- SOTERO MUNIZ, SOUTHWESTERN REGION
- J. STAN TIXIER, INTERMOUNTAIN REGION
- ZANE G. SMITH, PACIFIC SOUTHWEST REGION
- JOHN F. BUTRUILLE, PACIFIC NORTHWEST REGION
- JOHN E. ALCOCK, SOUTHERN REGION
- LARRY D. HENSON, EASTERN REGION
- MICHAEL A. BARTON, ALASKA REGION

## PREPARED STATEMENTS

Senator HATFIELD [presiding]. The hearing will please come to order.

This afternoon we continue the hearing on the fiscal year 1987 budget for the Forest Service.

Today we are honored to have the Assistant Secretary of the Department, Mr. Peter Myers; Chief of the U.S. Forest Service, Mr. Max Peterson, and his Associate Chief of the Forest Service, Mr. Robertson; and the Deputy Chief of Programs and Legislation of the Forest Service, Mr. Sirmon.

We do have other personnel: Mr. Beasley, Mr. Ross, Mr. West, Mr. Rice, Mr. Leasure, Mr. Kaplan.

Also present are the regional foresters today: Mr. Overbay, Mr. Torrence, Mr. Muniz, Mr. Tixier, Mr. Smith, Mr. Butruille, Mr. Alcock, Mr. Henson, and Mr. Barton.

All those names and titles will be placed in the record.

I believe that Senator McClure invites the testimony of those who would testify today to be placed in the record at this point as if read or presented.

At this time we are ready for questions.

[The statements follow:]

### STATEMENT OF PETER C. MYERS

I welcome the opportunity to appear before you today to discuss the fiscal year 1987 budget for the Forest Service. I am accompanied by R. Max Peterson, Chief of the Forest Service, and the Forest Service's deputy chiefs. As you requested, we also have present the Forest Service's regional foresters and the director of its northeastern area.

Before Chief Peterson discusses the highlights of the Forest Service budget, let me discuss a number of policy issues: (1) the need to reduce Federal expenditures, including those of the Forest Service; (2) the Forest Service/Bureau of Land Management interchange program; (3) a proposal to change payments to States to a net receipts basis; and (4) recreation user fees.

### REDUCING FEDERAL EXPENDITURES

The President has emphasized the need to move toward a balanced budget by reducing Government spending, rather than by raising taxes. He is committed to reducing the role of the Government in the economy as well as to eliminating waste and improving management practices.

To help achieve the goal of lower Federal expenditures, the 1986 appropriation for the Forest Service has been sequestered as directed by the Balanced Budget and Emergency Deficit Control Act of 1985—by Gramm-Rudman-Hollings. This 4.3-percent reduction has been allocated across the board to Forest Service research stations, its northeastern area, and to each national forest.

For much the same purpose of reducing expenditures, the 1987 budget for the Forest Service and other Department of Agriculture agencies is purposefully restrained. The administration's budget and legislative proposals are intended to foster increased economic activity while reducing the cost of the present Federal programs and the drain on the national budget.

The proposed budget authority in 1987 for managing Forest Service programs is over $1.7 million. This amount provides for continuing important research, pest suppression on Federal lands, a 10 billion board feet Timber Sale Program, and a level of other resource programs suitable to meet the needs of the American people from their national forests and grasslands.

The productivity of Forest Service programs will be improved by carefully controlling costs, adjusting management procedures, and paying close attention to benefit-cost relationships. The objective is to produce timber, recreation, and other products or services at the lowest unit costs. Careful attention will be given to both market and nonmarket values of resources, such as water quality, and their associated costs.

Receipts generated from lands managed by the Forest Service are expected to be about $1.3 billion. This level of receipts reflects both an improving economy and efforts of this administration to bring the American people's financial return from the public lands.

## FOREST SERVICE/BUREAU OF LAND MANAGEMENT INTERCHANGE

A legislative proposal to authorize an interchange of 25 million acres between the Forest Service and Bureau of Land Management was submitted to the Congress last month.

The legislation proposes that 15 million acres by moved from the Bureau of Land Management to the Forest Service, and 10 million acres be moved from the Forest Service to the Bureau of Land Management. This is a refinement of what we discussed 1 year ago, based on public comment, discussions with Members of Congress, and more thorough analysis. The budget proposes $5 million to begin implementing this interchange in fiscal year 1987.

The interchange will consolidate offices, improve service to the public, and enable more efficient and effective land management. It will enable the two agencies together to reduce staffing by about 370 positions.

We expect that the interchange will cost the Forest Service about $14.4 million to implement over a 3-year period, but result in estimated savings of $8.4 million per year once it is fully implemented. We urge the Congress to move expeditiously on this piece of legislation.

## PROPOSED PAYMENTS TO STATES LEGISLATION

The 1987 budget proposes to change the basis for payments to States from a sharing of gross receipts to a sharing of net receipts. The Forest Service would deduct from timber and mineral receipts related program costs which are necessary to manage and protect the lands to generate these receipts. Twenty-five percent shares of these receipts paid to State or county governments would be calculated after related costs are deducted.

Two primary reasons underlie this proposal: (1) Under current law the Federal Government, after giving States a share of Forest Service gross receipts and after paying related Federal costs, often realizes a net loss; and (2) sharing receipts on a gross basis, as is now done, rather than on a net-of-costs basis, gives States the incentive to seek investment options where costs to the Federal Government exceed total receipts.

## RECREATION USER FEES

A legislative proposal to increase receipts from user fees is currently being developed and will be submitted to Congress in the near future. This legislation will allow the recreation users to support funding of costs associated with developing and operating recreation resource opportunities. Those who receive the benefits should pay for a reasonable portion of the costs. The legislation is designed to return the fees to the Forest Service under a special appropriations account, where they will be used to operate and maintain recreation sites.

This concludes my opening remarks. Mr. Peterson will now discuss details of the fiscal year 1987 budget.

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## STATEMENT OF R. MAX PETERSON

I welcome the opportunity to appear before you today to discuss the fiscal year 1987 budget for the Forest Service.

## FISCAL YEAR 1987 BUDGET

At the proposed funding levels, we will be able to continue to emphasize high priority research and provide a balanced resource management program on the national forests and grasslands. States are expected to assume more of their responsibilities for forest management assistance on non-Federal lands. We will further streamline our organization and programs to reduce costs and increase efficiency, while maintaining a suitable level of resource management and service to the public.

## FOREST RESEARCH

The proposed funding for forest research in 1987 is $111.5 million. This funding will enable us to concentrate on research that will help address the Nation's future resource needs and improve its economic condition. We will continue to carry out important research work in all of our programs, while streamlining them.

We will emphasize the highest priority research work, including atmospheric deposition, old growth wildlife habitat, biotechnology, and international trade in forest products.

## STATE AND PRIVATE FORESTRY

The budget includes $24.9 million for Forest Service State and private forestry programs. This will change the Federal role in State and private forestry to one of providing specialized technical assistance primarily in fire and insect and disease control projects of national benefit. The Forest Service will collect and analyze data nationwide and serve as an information clearinghouse. The budget provides financial assistance to Minnesota for intensive forest management associated with the Boundary Waters Canoe Area.

The insect and disease suppression activities will be directed at Federal lands, giving high priority to treating adjacent or intermingled lands where needed to deal with infestations over an entire area.

Financial assistance to the States will be eliminated because States are technically qualified and capable of funding their own forestry activities.

## NATIONAL FOREST SYSTEM

Proposed funding for the National Forest System appropriation in 1987 is $894.5 million. This includes $5 million for the Forest Service/BLM interchange proposal previously discussed.

## RECREATION USE

We believe the Recreation Program as proposed will adequately deal with the increasing recreation demands we are experiencing on the national forests.

The fiscal year 1987 budget includes a proposed new special fund for operating and maintaining recreation facilities with money generated from recreation receipts. This proposal would return receipts to the Forest Service, to reduce regular appropriations needed to pay for operating and maintaining Forest Service recreation areas and facilities. Considering both funding sources, the Recreation Program in fiscal year 1987 is equivalent to the fiscal year 1986 appropriated level before Gramm-Rudman-Hollings reductions.

## WILDLIFE AND FISH HABITAT MANAGEMENT

Funding proposed for wildlife and fish habitat management in 1987 is $33.8 million.

Our priority in habitat management is to do a good job in planning and coordinating with other resource activities, such as timber sales and road building, to minimize adverse effects and take advantage of opportunities to gain fish and wildlife benefits. Investments in habitat improvement work will be directed at high productivity areas and threatened and endangered species in the most critical situations.

### FOREST FIRE PROTECTION

Proposed funding for fire protection is $147.2 million. Fire presuppression activities and firefighting forces will be maintained at about the same level as in fiscal year 1985. We will continue to rely on the support of States and other agencies in emergency situations such as we had this past year. At the time of peak fire activities this past summer, we had about 20,000 people fighting fires, of which about 40 to 50 percent were not Forest Service employees, but brought in from other organizations.

### TIMBER SALE PROGRAM

The proposed funding for the Timber Sale Program, including all support except purchaser credit road construction, is $471.5 million. This will provide a timber sale level of 10 billion board feet, made up to 7.4 billion board feet of timber in new sales (including 810 million board feet of salvage) and 2.6 billion board feet of reoffer volume as a result of the Federal Timber Contract Payment Modification Act of 1984. The harvest level for 1987 is projected to be 11.2 billion board feet, the same level as expected in fiscal year 1986.

### REFORESTATION AND STAND IMPROVEMENT

Altogether, with appropriated and Knutson-Vandenberg funds, the budget proposes $177.5 million for reforestation and stand improvement work.

Within this, $119.9 million is proposed for reforestation, sufficient to reforest about 334,100 acres. Investments in reforestation will be deferred on some acres not associated with timber sales and where there are little or no environmental effects.

### FOREST ROAD CONSTRUCTION

Funding for the Forest Road Construction Program is $178.5 million. The level of purchaser credit road construction is estimated at $154.3 million. Altogether, this will permit construction or reconstruction of about 6,845 miles, about 450 fewer miles than projected in fiscal year 1986. This is consistent with the trend toward less roading in recent years. About one-half of the mileage involved is reconstruction of existing roads, instead of construction of new roads.

The 1987 Road Construction Program will emphasize access for timber sales, with roads that respond to immediate project needs. We will continue a strong emphasis on reducing road construction costs by building to the minimum road standard needed to meet the immediate land management objective.

### COOPERATIVE LAW ENFORCEMENT

The budget for cooperative law enforcement in 1987 is $2.5 million. This includes $2 million specifically directed at removing cannabis from National Forest System lands. The remaining funds will be provided to local law enforcement agencies for extra protection of the public and of property in high risk areas on national forests.

### LAND ACQUISITION

The budget proposes $3.2 million to acquire lands where commitments have been already made and funding is available from past fiscal years. We will use land exchanges to the maximum extent practicable to acquire high priority tracts.

This concludes my prepared testimony. I will be glad to respond to any questions.

### FOREST PLANNING

Senator HATFIELD. The chairman of the subcommittee is unavoidably detained. He will be along shortly. I do have a few questions that I would like to present at this time.

Here he is, so I will defer my questions and yield the gavel back to the Chair.

We have just placed the names and the testimony in the record and are ready for your questions.

Senator McCLURE [presiding]. Please go right ahead. I will withhold until the end.

Senator HATFIELD. I want to assure the chairman that there was no coup d'etat here at all.

Senator McCLURE. I am glad to be assured. Please go ahead.

Senator HATFIELD. To what extent does the Forest Planning Program take into consideration the economic impact upon a community that may be adjacent to the forest? Or for that matter, a region?

Mr. PETERSON. Mr. Chairman and Senator Hatfield, as you probably are aware, that is a specific provision of our planning regulations. We have in fact the so-called IMPLAN run which attempts to reflect the result of different plan alternatives on employment in the surrounding areas and on specific quality of life features related to different levels of employment. That is a feature of each of the alternatives in the forest plan, and it is also reflected in the analysis of the preferred alternative. That is very specifically a part of the planning instructions.

Senator HATFIELD. Mr. Peterson, do I understand that each forest plan would have a list of alternatives, possibly an analysis of economic impacts associated with such alternatives?

Mr. PETERSON. That is correct. It has an analysis of economic impact, of environmental impact, of social impact. That is part of the total analysis of the forest plan which is reflected partially in the plan and partially in the environmental impact statement. That is a requirement of the planning regulations.

I might admit that there is no perfect way of doing that, but the IMPLAN run, which was developed in cooperation with the Bureau of Economic Analysis in Treasury, is the best tool that we have today to reflect those kinds of impacts.

Senator HATFIELD. I have some other questions along that line that I will submit for the record, with the approval of the chairman.

Senator McCLURE. Without objection.

Senator HATFIELD. Thank you.

## REGION 6 TIMBER PROGRAM

I do have one other question that I would like to pose at this time, and that is relating to the cut for region 6 in the fiscal year 1986 budget.

Mr. Peterson, as you know, we went through a series of actions in the appropriations process to achieve a certain level of merchantable Timber Sales Program for fiscal year 1986. I won't recite the long history of that. As you know, the House started with a much higher figure. We began to shake it out in terms of what we understood to be the difference between the gross level and the net merchantable timber level, deducting the goose feathers, et cetera. It was my impression, as I have explained to you on other occasions, that the Appropriations Committee finally approved a 4.9-billion-board feet net merchantable Timber Sales Program.

I know that you have sawtimber categories and you have all other products category, but for the last 2 years, I believe, the Appropriations Committees in both the House and the Senate had used this particular nomenclature to try to identify the levels that we were appropriating. I now understand that it will not be possible for the Forest Service to achieve that 4.9 billion board feet without further appropriations of sawtimber, of net merchantable timber.

I wonder if you would for the record, perhaps, review that issue so that in fiscal year 1987 we are using the same definitions or the same nomenclature in order that we know precisely what we are doing.

Correct me if I am wrong as to whether or not it was your understanding that the Appropriations Committee did approve of 4.9 billion board feet. If you are not able to achieve that level with the current appropriations, how do you propose to achieve that level—through either a supplemental or reprogramming? What is your plan?

Mr. PETERSON. Senator, I think you are exactly correct. The conference report gives the target for region 6 as 4.9 billion feet of net merchantable sawtimber. Unfortunately, that term is one that was introduced only with the Federal Timber Payment Contract Modification Act. We have always stated the program for regions in terms of total all products. The amount that happens to be sawtimber may vary by year.

When we sent the region 6 President's budget here, the total we stated for region 6, the 4.6 billion that was in the President's budget was made up of all products, not just net merchantable sawtimber. So when we went through those gyrations to adjust it as it went through the House and then the Senate and then at conference, we are not 100 percent sure that we ended up with the correct funding for the 4.9 billion board feet. It was everybody's intent to do that, but we built onto a program that came in in our budget and we dealt with those increments of add on.

In addition, we have had the 4.3-percent Gramm-Rudman, which will reduce that 4.9 billion board feet by that amount.

Currently we would be looking at a target of about 4.7 billion board feet of net merchantable sawtimber after Gramm-Rudman to follow the committee direction.

We are attempting to convert the numbers in the program out there, to come back to you and to the committee and say this is what would be appropriate and practical to do with the money that we got, trying to follow as near as we can the intent of your direction. We will finish that job in the next week or so.

There currently will be some difference. I am not sure of the amount. I am sorry I can't be more specific.

Senator HATFIELD. Would you extrapolate that now in terms of figures? At the moment, what level do you feel you would achieve?

Mr. PETERSON. It is going to be somewhere between 4.3 and 4.6 billion board feet, probably.

## REGION 6 TIMBER PROGRAM ADJUSTMENTS

Senator HATFIELD. The 4.6 billion board feet figure was the 4.9 billion board feet brought into compliance with Gramm-Rudman?

Mr. PETERSON. That is correct.

Senator HATFIELD. Then, you will be 300 to 400 million board feet under even the Gramm-Rudman.

Mr. PETERSON. We also have some default volume that may amount to as much as 300 million board feet, which might be capable of being reoffered.

Senator HATFIELD. Let's not talk about default. Let's look at the precise level of funding that you have in your fiscal year 1986 budget, as to what level you will achieve minus Gramm-Rudman.

Mr. PETERSON. The original target that we had was 5.2 billion board feet of all products. We are not 100 percent sure of how much of that was net merchantable sawtimber. If we reduce that by 4.3 percent, that brings us down to 4.9 billion board feet. That is the financed amount that we have got as near as we can tell.

Senator HATFIELD. That is your gross?

Mr. PETERSON. That is the all products.

Senator HATFIELD. At what level did we fund you?

Mr. PETERSON. We think you funded us at 5.2 billion board feet and everybody thought that was 4.9 billion board feet net merchantable sawtimber. When the dust all settles it may be that will come out fairly close. We don't know yet, because we have not done that.

Senator HATFIELD. What does the report say and what was the language of the appropriation bill as to net merchantable timber?

Mr. PETERSON. There is no question that the conference report says 4.9 billion board feet of net merchantable sawtimber, and that is what we are going to strive to do. Minus 4.3 percent from Gramm-Rudman.

Senator HATFIELD. Will you need additional money?

Mr. PETERSON. I can't tell you that for sure today, but we will in the next week or so.

Senator HATFIELD. Is it possible you will need additional money to reach that 4.9 billion board feet figure of net merchantable timber?

Mr. PETERSON. We know we have 4.3 percent less than that under Gramm-Rudman already.

Senator HATFIELD. How can we avoid this numbers game and our confusion with it in fiscal year 1987?

Mr. PETERSON. We are just going to have to all be much more careful of our nomenclature and understand precisely what we are doing. We are going to try to, with our own staff and with the committee staff, write it down as all products and then say this much we estimate to be net merchantable and this is how much money is involved so we have got it all together. Because we have been using shorthand to adjust one to the other.

Senator HATFIELD. I will only pursue one other point. Mr. Peterson, you do remember the effort to compromise between the House and Senate figures.

Mr. PETERSON. Oh, yes.

Senator HATFIELD. And you do remember that it was an attempt to extrapolate the gross all products to reach a merchantable level. We were defining our funding level on a net merchantable level.

Mr. PETERSON. That is correct.

Senator HATFIELD. That was 4.9 billion board feet as we wrote it in the law.

Mr. PETERSON. That is correct.

Senator HATFIELD. We are not going to achieve that because the 4.9 billion board feet translated into about 5.3 billion board feet of all products, goose feathers included. But, we were not figuring goose feathers and all products level, were we?

Mr. PETERSON. We are still now considering goose feathers in terms of chips from green sales that are basically sawtimber sales.

Senator HATFIELD. Nonindustrial firewood, et cetera, et cetera.

Mr. PETERSON. Right.

This is a new term that was introduced by the Timber Sale Contract Payment Modification Act and we simply did not have everybody up to speed on just how to deal with it.

Senator HATFIELD. There is a supplemental pending over on the House side that may not go very far. I don't know yet. Mr. Miller has already indicated some disfavor toward this. If we are going to have to find additional funding, then I believe, maybe, you ought to give the committee some options as soon as possible.

Mr. PETERSON. We will, of course, have to consider internal reprogramming as an option also, not necessarily just more funding.

Senator HATFIELD. Thank you, Mr. Chairman.

Senator MCCLURE. Before departing from the subject, I think the record should reflect now that the amount of money that was provided to meet the 4.9 billion board feet target and the 5.2 billion board feet target was built upward from the budget. We went back through the budget with your help to determine how many dollars would be necessary to meet those targets. How you meet those targets is a function of the kinds of sales that you put up: salvage sales, reoffers, et cetera. You have a certain capacity to manipulate toward the targets; isn't that correct?

Mr. PETERSON. That is correct.

Senator MCCLURE. The money that we appropriated was designed to be sufficient to meet those two targets.

Mr. PETERSON. Except in region 6, you will recall, there was so much off-the-shelf volume, there was so much reoffer volume, so it is fairly specific by categories in the makeup of that.

Senator MCCLURE. Those were your estimates in order to meet the 4.9 billion board feet merchantable sawtimber; is that correct?

Mr. PETERSON. That is correct.

## REGION 6 MIX OF TIMBER PRODUCTS

Senator McClure. So the mix that you gave us was a mix that was designed to achieve that target of harvest level.

Mr. Peterson. If the 5.2 billion board feet doesn't translate into 4.9 billion board feet, which we think it probably does not right now, it is not that somebody set out to do that; it is the way it ended up.

Senator McClure. The ability to choose sales is still yours. You can still manipulate the mix to some degree by the choice of offerings; is that correct?

Mr. Peterson. To some degree. It will be fairly difficult to explain to operators out there who are looking for material, say on the east side, that we are not going to make a sale because we are going to put the money somewhere else and make a sale that was not scheduled.

Senator McClure. The 4.9 billion board feet is also reduced by the Gramm-Rudman.

Mr. Peterson. That is right.

Senator McClure. So that target becomes 4.7 billion board feet.

Mr. Peterson. Right.

Senator McClure. It is just under 4.7 billion board feet; it is 4.69 billion board feet. I don't know where we stop rounding.

If the mix that you gave us were correct, the only reason for coming in under the 4.7 billion board feet even after Gramm-Rudman was because the methodology that was used produced an erroneous estimate of volumes; is that correct?

Mr. Peterson. Correct. The translation from all products to net merchantable sawtimber. A conversion factor of around 6 percent was used.

Senator McClure. Which may not have applied to the sales categories in precisely the way you had estimated at that time.

Mr. Peterson. That is right. That is our problem.

Senator Hatfield. It may be closer to 10 percent.

Mr. Peterson. It may be closer to 10 percent. That is the number we are checking.

We report sales in terms of the total quantity, not net merchantable sawtimber. Because of the unique thing in region 6 with the cap, we probably ought to state it both ways just so we are clear.

Senator McClure. I should also have made at least one small caveat. I am not at all certain that I understand the mandate by which timber harvest levels are reduced by Gramm-Rudman, although certainly the way we do arrive at the figures is to establish a harvest level and derive your budget based upon that harvest level; is that correct?

Mr. Peterson. It is actually a sale level.

Senator McClure. Yes.

## TIMBER HARVEST LEVEL

Mr. Peterson. One other feature of the 1986 budget. As you will recall, we had estimated going in that we would have about 11 billion feet of timber harvest during 1986. The Congress in its wisdom decided that we had overestimated in the past and reduced that to 10 billion feet. It appears that the timber harvest will be very close to 11 billion feet. So we are carrying an extra billion of timber harvest administration with 4.3 percent taken away from even that, which is not easy to do and make the regular sale program. So we are carrying considerably more timber harvest than was financed even had we had the total, let alone the 4.3 percent.

Senator McClure. In other words, are you spending ahead of your schedule? Would I read between the lines in what you just told me that your current costs are running higher than anticipated as contrasted to sales prep for future sales?

Mr. Peterson. No; we are doing our best to keep both going. What that does is minimize the opportunity to suddenly change at this point in time.

Senator McClure. Your cushion is either reduced or gone.

Mr. Peterson. Right.

Senator McClure. But it doesn't necessarily mean that we have to change budget assumptions with respect to 1987 sales prep or sales activities?

Mr. Peterson. We are not suggesting that at this time.

Senator Hatfield. Would the Senator yield?

Senator McClure. I would be happy to yield.

Senator Hatfield. I thank the chairman.

### MIX OF TIMBER PRODUCTS

The chairman was talking a moment ago about the mix that helps determine a lot of the board feet that you are able to achieve out of a total. Mr. Peterson, I believe I showed this chart to you yesterday, called "Historical Timber Sell Volume From National Forests in Region 6 from 1968 to 1985." I believe it was taken from the regional forest figures, although I think this chart came from industry.

I would like to place it in the record at this point, Mr. Chairman, because it is a very interesting chart that shows that mix from 1968 when the other products constituted 2 percent of the total. I am talking now about Oregon only. In 1985 it was 19 percent.

Senator McClure. Is that the State or the region?

Senator Hatfield. This is the State, but it is from the regional forest office.

To give it a more current comparison, it goes from 11 percent in 1980 to 19 percent in 1985.

Senator McClure. Without objection, the chart will be made a part of the record.

Senator Hatfield. It shows quite a fluctuation.

Mr. Peterson. We are checking that number servicewide for each region just so if this question comes up again we will have more current figures to make that translation. One of the dilemmas is that that changes with markets. If the lumber market is down, then companies move toward more chips and the sales that are bid on tend to be more chips. So that changes with markets somewhat. But that is a helpful table.

[The information follows:]

HISTORICAL TIMBER SELL VOLUME FROM NATIONAL FORESTS IN REGION SIX

| Fiscal year | Total Oregon only | Million board feet |  |  | Other products as percent of total |
|---|---|---|---|---|---|
|  |  | Net merch sawtimber | Other products[1] | Total |  |
| 1985 | 3,467,720.58 | 3,848,727.86 | 903,754.75 | 4,752,482.61 | 19 |
| 1984 | 3,563,102.77 | 4,078,237.16 | 883,909.8 | 4,962,146.96 | 18 |
| 1983 | 3,403,652.07 | 4,210,627.48 | 704,922.7 | 4,915,550.18 | 14 |
| 1982 | 3,351,295.94 | 4,026,512.26 | 615,045.19 | 4,641,557.45 | 13 |
| 1981 | 3,760,663.74 | 4,912,546.50 | 569,518.26 | 5,482,064.76 | 10 |
| 1980 | 3,714,569.04 | 4,537,565.58 | 588,856.44 | 5,126,422.02 | 11 |
| 1979 | 3,518,818.71 | 4,786,084.39 | 352,159.5 | 5,138,243.89 | 7 |
| 1978 | 3,470,505.65 | 4,591,046.66 | 396,683.18 | 4,987,729.84 | 8 |
| 1977 | 3,366,465.52 | 4,300,178.18 | 465,004.76 | 4,765,182.94 | 10 |
| 1976 | 3,458,754.34 | 4,381,924.47 | 460,857.19 | 4,842,781.66 | 10 |
| 1975 | 3,392,846.59 | 4,226,508.97 | 675,397.81 | 4,901,906.78 | 14 |
| 1974 | 3,442,939.05 | 4,138,789.19 | 531,336.49 | 4,670,125.68 | 11 |
| 1973 | 3,391,577.88 | 4,276,307.85 | 441,390.01 | 4,717,692.86 | 7 |
| 1972 | 3,498,728.17 | 4,285,567.74 | 482,318.75 | 4,767,886.49 | 10 |
| 1971 | 3,576,325.64 | 4,330,482.44 | 439,579.23 | 4,770,061.67 | 9 |
| 1970 | 3,878,487.1 | 5,110,648.22 | 246,510.77 | 5,357,158.99 | 5 |
| 1969 | 2,987,008.0 | 4,006,902.00 | 193,850.44 | 4,200,752.44 | 5 |
| 1968 | 3,231,851.89 | 4,537,491.46 | 72,648.21 | 4,610,139.67 | 2 |

## REGIONAL FORESTERS

Senator McClure. Before proceeding further, Chief, I wonder if we could ask that you have your regional foresters introduce themselves and tell us where they are headquartered and the areas they cover and what their budget and staffing level is.

Mr. Peterson. We will be glad to do that. We will do it numerically, beginning with region 1, with Jim Overbay, the regional forester.

Mr. Overbay. Jim Overbay, regional forester, region 1, headquartered in Missoula, MT. We cover northern Idaho, the States of Montana and North Dakota grasslands. The total regional budget for fiscal year 1986 is right at $169 million.

Senator McClure. Thank you.

Mr. Torrence. Jim Torrence, regional forester of the Rocky Mountain region, headquartered in Denver, CO, which covers Colorado, parts of Wyoming, South Dakota, Nebraska, and Kansas. At the present time our fiscal year 1986 budget level is just slightly over $102 million.

Senator McClure. And your FTE's?

Mr. Torrence. Right at 2,500.

Senator McClure. Thank you.

Mr. Muniz. I am Sotero Muniz, regional forester of the Southwestern region, headquartered in Albuquerque, NM. My region comprises the State of New Mexico, the State of Arizona, the national grasslands in parts of Texas and Oklahoma. The current budget for fiscal year 1986 is at $106 million; total FTE's is 2,505.

Senator McClure. Thank you.

Mr. Tixier. Stan Tixier, regional forester for the Intermountain region, which includes Nevada, Utah, southern Idaho, and western Wyoming. Our fiscal year 1986 budget is about $136 million and our FTE's for 1986 is 2,880.

Senator McClure. Thank you.

Mr. Smith. Mr. Chairman, I am Zane Smith, regional forester, Pacific Southwest region, headquartered in San Francisco, CA. The region constitutes the States of California, Hawaii, and the Pacific Islands. The regional budget is about $269 million; the FTE's are about 6,700.

Senator McClure. Thank you.

Mr. Butruille. Mr. Chairman, I am John Butruille, deputy regional forester in the Pacific Northwest region, region 6, in Portland, OR. Our budget in fiscal year 1986 is about $370 million and we have 8,400 FTE's.

Senator McClure. Thank you.

Mr. Alcock. Mr. Chairman, Jack Alcock, regional forester in Atlanta, GA, the southern region, which covers the 13 Southeastern States, Puerto Rico, and the Virgin Islands. Our fiscal year 1986 budget is roughly $226 million; our FTE's are about 4,100.

Senator McClure. Thank you.

Mr. Henson. Mr. Chairman, I am Larry Henson, regional forester at Milwaukee, WI. We administer the national forests of 20 Northeastern States. The regional budget is $126 million in fiscal year 1986 and we have about 2,700 FTE's.

Senator McClure. Thank you.

Mr. Barton. Mr. Chairman, I am Mike Barton, the Alaska region, located in Juneau, AK. Our fiscal year 1986 budget is about $71 million and our FTE's are about 825.

Senator McClure. Thank you very much, gentlemen.

Mr. Peterson. Mr. Chairman, there was one region numerically missing, and that is region 7. We used to have a region at Upper Darby, PA, that was discontinued in the 1960's. So we have a number missing, no regional forester missing.

Senator McClure. Thank you.

Senator Andrews.

### NATIONAL GRASSLANDS PAYMENTS

Senator Andrews. Thank you, Mr. Chairman. I have enjoyed listening to what the Senator from Oregon and the Senator from Idaho have had to say. The Senator from Oregon pointed out that this is a numbers game and there is a good deal of confusion on it. The Senator from Idaho pointed out that you have a capacity to manipulate figures. I have watched a lot of people operate. I have never seen a group manipulate figures like your group has manipulated.

If those of us from the flatlands have to somehow or other revisit the whole issue of Forest Service, we will be glad to do it, because we deeply resent what you have done and what your shop has done.

Let's point it out. Our State tree of North Dakota is probably a telephone pole. We cherish the few trees we have, but we have you in operating the national grasslands.

I want to express my deep concern, in fact my resentment, over the way you are handling national grasslands payments to counties. It is my understanding that you are proposing to take all the sequestered funds for payments to States and counties out of national grasslands payments to counties for fiscal year 1986. Mr. Peterson, this is money used for schools and for roads. My own State of North Dakota is going to be hit especially hard.

Our counties are scheduled to received $13,573,000, Mr. Chairman, in grasslands payments to counties. After the proposed sequestration they would receive only $5,104,000. That is a 62-percent cut made in the name of a Gramm-Rudman 4.3 percent. What kind of magic do you work to turn a 4.3-percent cut into a 62-percent cut?

Mr. MYERS. Senator, if I may, I would like to answer that. I agree with you on the ethical position. What we have is a legal problem. It was not the Forest Service doing. This was an apportionment. The administration told the Forest Service to allocate this money in this way, and our interpretation is the administration of this apportionment by Gramm-Rudman.

Senator ANDREWS. I appreciate the fact that you are saying it is unethical. I haven't put quite that term on it. But it sure as heck is unethical.

Mr. MYERS. It is. I agree with you.

We have had intense discussion on this for the last 30 days. What we are going to do is this. The payments will be made initially. In fact, we have the apportionment that was just issued today and we are going to make the sequestered payments. At the end of the fiscal year the balance will be made to the States.

That doesn't satisfy me, it doesn't satisfy you, but it is the way we are interpreting the law.

We have a letter in to the Comptroller General at this point asking for a ruling to see if we can't go with these payments early.

Senator ANDREWS. You are saying, though, that under Gramm-Rudman your interpretation of the law is that you have got to take a 62-percent cut in order to get a 4.3-percent cut?

Mr. MYERS. GAO's interpretation, Senator.

Senator ANDREWS. GAO's interpretation of Gramm-Rudman?

Mr. MYERS. Yes, sir.

Senator ANDREWS. I am appalled this notion is being given any consideration, Mr. Chairman, much less serious consideration. As you must know, and I would hope, Mr. Peterson, you understand this, western North Dakota, where most of the counties that receive these payments are located, is already hit hard because of the depressed farm economy as well as a severe reduction in oil and gas activity and the drought we have had. The kind of reduction that the OMB is proposing, or the GAO is proposing, is going to have a devastating impact on those counties. Now you say that they can find that money at the end of the fiscal year.

Mr. Myers. That is the present interpretation. We are still hoping that if we get a favorable ruling from the Comptroller General we can go ahead with the payments. From what I understand informally, we are not going to get that ruling at this point, but we still have a formal letter in to the Comptroller General asking for a change in this.

Senator Andrews. What assurance do we have that you are going to be able to find that money at the end of the fiscal year?

Mr. Myers. It has been sequestered and it should be there, and it will be paid.

Senator Andrews. In other words, you will have it to pay to these counties in September?

Mr. Myers. That is our understanding. October 1.

Senator Andrews. You will then make that payment to these counties?

Mr. Myers. Yes.

Senator Andrews. I am appalled at the insensitivity toward the economic plight of my State and other grasslands States, but I also strenuously object to this misinterpretation of congressional intent.

Mr. Chairman, have we any resources at our hands to undo this so we can get this timely payment out? These counties are not in a position where they can borrow funds to try to make up for this kind of withholding of funds that they are entitled to.

Senator McClure. The resources are to clarify the law, I assume, by a further legislative enactment. That is the most direct route we have. I might just state for the record what the Senator already knows, and that is that Senator Hatfield, the chairman of the Appropriations Committee and I as chairman of this subcommittee wrote to the Department of Agriculture on February 26 asking questions about this practice, and on the same date we also wrote the Comptroller General and also to the Office of Management and Budget, Mr. Miller. We have not received a reply to any of those letters as yet, but we are pursuing it actively.

I don't disagree with the conclusion that you have stated or that the Secretary has stated here today. Something needs to be done to make this a more equitable situation than has been done. If we can't get recourse by administrative ruling we will have to seek some other route.

Senator Andrews. We are getting all kinds of contact from the White House about the concerns for Central America, the Contras down in Central America. We get lots of contacts on that, but nobody seems to worry down there or understand down there that there is another central America: the Dakotas, Kansas, Nebraska, some of these States. There seems to be a one-way track. We can't word back, as the chairman has pointed out. Maybe there is another way we can get the attention.

### BASIS FOR PAYMENTS

Another concern I have, Mr. Chairman, that greatly affects these same North Dakota counties is the administration proposal to pay 25 percent of net revenues in lieu of taxes rather than gross revenues.

That's a switch. I understand that after the deduction of all costs associated with this revenue generating program some counties would receive little or no payments at all under this new way of figuring; is that correct?

Mr. MYERS. They would all get the payment in lieu of taxes [PILT] payments, as I understand it, as a minimum, payment in lieu of taxes. But, yes, the administration is proposing to go to net versus gross on the revenue.

Senator ANDREWS. Then what kind of a difference does this make?

Mr. MYERS. I don't have a final figure.

Senator ANDREWS. This cuts payments to these counties by about two-thirds, doesn't it?

Mr. ROBERTSON. Under the existing law it would be about $310 million and the budget proposes $85 million.

Senator ANDREWS. So you cut a little bit more than one-half by rejiggling the way you figure.

How long, Mr. Peterson, have you been figuring this on the basis of gross revenues?

Mr. PETERSON. We started paying 25 percent to the counties in 1908.

Senator ANDREWS. You have been paying 25 percent of gross revenues since 1908.

Senator MCCLURE. There was an unfortunate interim period.

Senator ANDREWS. There was an interim and then we got back to the gross revenues when?

Mr. PETERSON. In 1976, I believe.

Senator ANDREWS. So for a period of 10 years we have been paying on the basis of gross revenue rather than net revenue; isn't that true?

Mr. PETERSON. We essentially have been paying it that way ever since 1908. We made a small change.

Senator ANDREWS. There was a hiatus in there. Now you want to change something around that has been in place for over 70 years, as you point out.

Once again, the insensitivity of this kind of proposal boggles my mind. Here we are inflicting a double whammy on these counties. The sequestration proposal for fiscal year 1986 and the net revenues concept for fiscal year 1987 back to back is going to cause tremendous hardship.

How can the administration justify dumping that kind of a burden on a small segment of our society all in the name of balancing the Federal budget? We don't mind taking our proportionate cut. We are all in this together. So I have been consistently arguing for an across-the-board freeze, and if it is 4.3 percent, let's have it be 4.3 percent, but not 62 percent on the one hand and about 60 percent in the other hand by rejiggling the way it is done.

### NATIONAL GRASSLANDS PAYMENTS

Mr. PETERSON. Mr. Chairman and Senator, on the 4.3 percent, let me simply say that I think this is an unexpected result of Gramm-Rudman that nobody predicted in advance.

What happened is that when the Congressional Budget Office and OMB and GAO, as directed by Congress, went through and picked out all the accounts that were subject to sequestering, they picked payments to States, the total amount of $228 million as being subject to being sequestered, and that totaled $9.7 million.

I think if that had been applied across the board to every State there would not have been a great problem. At least it would have been equal between the States.

The problem that occurred is that under existing law we had already paid the States other than the grasslands before the law passed, because we paid that at the beginning of the fiscal year based on last fiscal year receipts. So we had paid the States some $212 million, or actually $213 million, and when we got the apportionment document from OMB they said the total amount you pay to the States under the way we figured it is $218.8 million, and we had already paid out $212.2 million. So we had no authority to pay out more than $5.9 million.

It is not a question of do I want to. We simply don't have the authority. That is the reason we have written to GAO asking for an interpretation, along with the chairman of this committee. But our hands are tied as of now.

Senator ANDREWS. You are pointing out to me yet again how gratified I am that I wasn't foolish enough to vote for Gramm-Rudman, because that is the one that tied your hands.

I appreciate the forebearance of my chairman on this. Let me clarify this. One, you have said unequivocally that later in the year this money in the first instance will be restored; is that not right, Mr. Secretary?

Mr. MYERS. That is the assurance we have from OMB.

Senator ANDREWS. And I can pass that assurance on to the counties.

Second, Mr. Secretary, the point I brought out of taking net revenues instead of gross revenues, that's a decision that this subcommittee will ultimately have to determine; is that not correct, Mr. Chairman? Because that is for fiscal year 1987.

Senator MCCLURE. The Congress will have to make that determination. Hopefully it will be this subcommittee. I hope our recommendation will be followed by the rest of the Congress.

Senator ANDREWS. We would hope that that can happen.

Mr. Chairman, thank you for recognizing me and for understanding the problem that we have out in a relatively treeless area but an area nonetheless that depends on the U.S. Forest Service in many ways that most people don't recognize.

Mr. PETERSON. We have something in common, Senator. I didn't vote for Gramm-Rudman either.

Senator ANDREWS. No; but you didn't have to have that choice. I am becoming happier and happier that I didn't vote for that thing.

Senator MCCLURE. Senator Cochran.

Senator COCHRAN. Thank you, Mr. Chairman.

## STATE AND PRIVATE FORESTRY

I was noticing in the State and private forestry portion of the budget request what I calculate to be a 57-percent reduction in funding. A significant part of this funding is in the forest pest management and seedling production areas. We have got the Conservation Reserve Program that has been put into effect. In my State 55,000 acres have been bid—whether the bids will be accepted or not we don't know yet—with the intention of planting those acres to pine trees.

I worry that if we are cutting back this big of a percent in this area of the budget whether we are going to have enough seedlings to help meet the demand that there will be for planting these lands to pine trees. What is your expectation about that?

Mr. MYERS. I can't give you a concise answer. We feel like we will have enough seedlings. Whether we go to 55,000 acres is going to be speculative, depending on the bids. We do feel in the State and private forestry area that the States are going to have pick up more of the share of this funding, whether it be seedlings or whether it be pest control. Granted, both are important areas.

## SOUTHERN PINE BEETLE

Senator COCHRAN. The southern pine beetle, just as an example, is a problem that is getting worse and not better. There are going to be more and more funds needed to help deal with that problem in the future. We are hearing about infestation of forest lands all over the South and even into other areas of the country as a result of that problem.

What is your reaction to the level of funding and the increase in the need for those funds?

Mr. MYERS. There is no real remedy at this point. Personally I think we need more research in that area. The only remedy we have now is to cut a circle of trees down around the infestation and hope we can contain it, which is the best remedy we have at this point.

Senator COCHRAN. What is the outlook? Is that working at all?

Mr. MYERS. I will ask the experts to answer that.

Mr. PETERSON. It is working, Senator, much better if we can get ahead of it. In other words, the research at southern and southeastern station has provided a pretty good way to risk rate stands, to say this stand has a high risk of southern pine beetle infestation, or if a spot develops, that it will expand. That is beginning to provide information so we know when to go in and thin or to do other culture work to increase the vigor of the stands so they are less susceptible. But that is brand new research that has not been applied very broadly yet.

As Secretary Myers indicated, right now we have to treat the spot outbreaks. By and large it is about 75 percent effective, if you want to use a round number, which means that in about 25 percent of the cases, since the beetle is endemic in the stand, there are undetected attacks on trees and in about 25 percent of the cases we have got to go back and re-treat and sometimes treat the third time.

So it is not as effective as we would like. But because the beetle is only exposed to the elements between trees a very short time and because it lives under the bark, it is very difficult to treat it with chemicals, and it is also very costly to treat it with chemicals. So we don't really have any biological or chemical control that is economically feasible on a broad scale.

Senator COCHRAN. This and other problems make me worry about whether or not we are putting too much emphasis on this part of the budget to sustain these reductions. As an example, I just happened to be reading the March 17 edition of the largest newspaper published in my State, the Clarion-Ledger of Jackson, MS. There is an article in that edition entitled "Farmers Finding That Money May Grow on Trees." The import of the article is that the pine trees may be the best use of a lot of our marginal land throughout the South, a fact that many of us have been trying to publicize and urge landowners to recognize to see if we can't provide incentives and encouragement to use lands for these purposes rather than for marginal row crops or erodible land uses that really destroy the soil as a resource.

Let me just read you one part of this article. It says:

> The State is expected to lose almost 1 million acres of commercial forest land due to urbanization by the year 2010. A new study by the Mississippi Forestry Commission found that approximately 200,000 acres of land would have to be reforested annually to accommodate expected demand by the same year.

If we are seeing those projections made by our State commission, the probl~~ems of th~~e southern pine beetle, urbanization, these other things, it seems to me it is the wrong time to be taking 57 percent out of the budget that tries to help provide funding for the small and privately owned lands throughout the country.

Mr. PETERSON. I think the question is not whether it is needed or not. All of us that have studied supply and demand of softwood in the South would say there is going to be a strong demand there and that is a better use for that land than growing row crops, much of it. The question is not whether it is needed or not but whether it should be paid for by the Federal Government, by the State government, or by the landowner. That is the real question that is raised here. It is not a question of need; it is a question of who should pay for it, who is in the best position to pay for it.

Senator COCHRAN. Mr. Chairman, those are the only questions I have. Let me ask unanimous consent that a copy of that article to which I referred be included in the record.

Senator MCCLURE. It will be included in the record.

Senator COCHRAN. I thank the chairman very much.

[The information follows:]

[From the Clarion-Ledger, Mar. 17, 1986]

## FARMERS FINDING THAT MONEY MAY GROW ON TREES

(By Alan Huffman, Clarion-Ledger Staff Writer)

Declining farm income, Federal soil conservation programs and an expected increased demand for lumber could change Mississippi's economic and visual landscape during the next decade, says a forester with the State's cooperative extension service.

Under the new Conservation Reserve Act, an estimated 1.1 million acres of cropland in the State could be planted in trees, grass, or other protective cover by 1988, said extension area forestry specialist Andy Ezell.

The majority of the subsidized acres are expected to be planted in pines, already ubiquitous but expected to be in high demand by the 21st century, Ezell said.

The extension service is cooperating with the Agricultural Stabilization and Conservation Service and the Soil Conservation Service in administering the program, which pays farmers an annual rental fee to convert existing cropland to noncommercial uses for 10 years. Funding is available in Mississippi now for 600,000 acres under the program, with another 78,000 scheduled for inclusion this year, he said.

Ezell said the program will result in the largest reforestation program in the Nation's history, but the Government incentives actually will be augmenting a trend already under way.

Pine trees, a "pioneer" species that eventually will be shaded out unless the forest is cultivated or burned, have long been considered a viable source of income for remote or marginal farms. In bottomland areas, cottonwoods often serve the same purpose.

"As people move into town, absentee landowners look at pine trees as a viable investment," Ezell said. "That's happening more and more, and with increasing demands for southern softwoods, you're going to see less and less land just allowed to grow up naturally."

Demand for southern softwoods, primarily pines, is expected to increase due to anticipated economic growth and the rapid growth rate of native species, he said. The current downturn in timber demand, a result of slow housing starts and cheap Canadian imports, isn't expected to have a pronounced effect in the long run, he said.

But while fallow fields are planted in pines, the State is expected to lose almost 1 million acres of commercial forest land to urbanization by the year 2010, Ezell said. A new study by the Mississippi Forestry Commission found that approximately 200,000 acres of land would have to be reforested annually to accommodate expected demand by the same year.

The net result is that land use will become more intensive, Ezell said.

"We're going to lose that patchwork landscape as areas become more specialized," he said. "From a forestry perspective, we're going to have to do more with less. We're going to have to manage our timber better.

"That doesn't mean the majority of these areas are going to be planted in identical rows of pines, but we are going to see more of a managed forest environment, and there will be a noticeable difference."

## COMPETITIVE FORESTRY RESEARCH GRANTS

Senator McCLURE. Thank you.

Mr. Secretary and Chief, there are a whole host of questions that will outstrip our ability to get into all of them today. We will submit most of them for response in writing. In the available time there are two or three things I want to highlight. I will follow up with respect to the research activities in some detail.

This committee initiated the Competitive Grants Program in 1985. The authority had been on the books since the 95th Congress, in 1978, but it had remained unfunded all these years.

One reason we initiated the program in these tight budget times is because we were and are persuaded that basic biotechnology research was ready for significant breakthroughs. We judged that these breakthroughs could be achieved by several years of support through a competitive process. You have only had the program 2 years now, but how would you assess its future payoff potential? Is this something we should pursue or, upon reflection after the past 2 years, should reduce our support?

Mr. PETERSON. I think the quality of the competitive grants request was quite good. There were numerous requests in each category. We got requests from public lands universities, from some private universities, from some within Government. So there was a wide variety of requests.

I think the dilemma you face in a budget situation is that these competitive grants that have been provided 2 years in a row are multiyear grants. So they will carry on for some time. Typically they run 2 to 5 years.

We don't really have the hard answer as to what will come out the other end, but at least the quality of the proposals was quite good.

It is one of those kinds of things that you can do and try to reduce outlays, or you can on a 1-year basis not do and pick it up again, because the people that started these competitive grants will carry through on those particular grants. You won't have new ones to pass out. So it is one of those kind of tradeoffs that you make in trying to deal with the need to reduce outlays, to reduce deficits.

Senator MCCLURE. I understand you to say that the quality of the applications was good but you can't judge the output yet; is that correct?

Mr. PETERSON. That is true. It is too early. The first ones were issued less than 1 year ago. So it is too early to judge the output of the research.

## STATE AND PRIVATE FORESTRY

Senator MCCLURE. In State and private forestry, you are requesting $24,871,000 for the State and private program in 1987. This is a reduction of $30 million, or 55 percent, from the adjusted 1986 appropriations level. The 1987 estimate eliminates grants to States for forest management and utilization support.

What impact will this have on implementation of the conservation reserve portion of the farm bill?

Mr. MYERS. It shouldn't have a great impact. The States will have to pick up some of the slack, especially in nurseries, but we also expect the private industry and the nursery business to sell a lot of the seedlings. In fact, that has been even a point of controversy between the private and the State and the Federal nurseries.

Senator MCCLURE. It will depend upon the ability of the State through its State forestry staff?

Mr. MYERS. The State or private nurseries. There are many private nurseries that are going to supply seedlings.

Senator McCLURE. Is it just availabilty of nursery stock? Is that all that it depends upon?

Mr. MYERS. Quality also. Of course that is important.

Mr. PETERSON. I think the dilemma that we have right now, which Secretary Myers indicated a while ago we don't know the answer to, is that in the short run it is very difficult to change the capacity of nurseries. For example, people are signing up right now. The trees that they are going to get have to have already been in the ground.

There will be spot shortages, obviously, and there isn't any way that somebody new can go out and buy some land and go into the nursery business and do anything about this year or next year. So you are really talking about the capability of existing State and private and Federal nurseries to put ground back in production that had been in production at one time. We don't know how that will fit the way the conservation reserve signup will be until we have a chance to look at it.

Senator McCLURE. How long will it take you to take a look at that?

Mr. PETERSON. After we get the conservation reserve signup information, it will probably take about 30 to 60 days to assess how that matches with the seedlings.

Mr. MYERS. Before we go out with the next signup, Senator, we intend to have this information so we know how many are submitting bids for trees, so we will be able to analyze this. Hopefully, when the next signup occurs in June or July for 1987 we will be in a better position to really know where we are going to go and to be able to give some guidance to the States as to the nursery capacity that they do need.

Mr. PETERSON. We fully expect, as I indicated, that in this first go-around there will be some spot shortages. It is not only the number of trees; it is whether they are the right species.

Senator McCLURE. How are you going to break that down? It won't break down neatly in your administrative structure.

Mr. PETERSON. The State foresters in the field and the technical people in the field have to make those judgments.

Senator McCLURE. Two of the most basic responsibilities of the Forest Service are insect and disease control and fire protection. Yet the budget estimate proposes to reduce insect and disease suppression on Federal lands by $2,649,000, or 33 percent. Insect and disease suppression for cooperative projects would be eliminated. That is another $6,858,000. Fire protection is proposed to be cut by $10,218,000, down 75 percent, eliminating grants to States completely.

I am baffled by this year's budget in some respects, and this is one.

Mr. Secretary, perhaps this is a policy question that I should address to you. Is there really any doubt that insect and disease suppression and fire protection is a basic Federal responsibility on Federal lands and on intermingled lands and that it is actually cheaper and better management to support State and local programs?

Mr. MYERS. There is probably no doubt, Senator. It is a matter of priorities and where you can spend what money, and I think this is just an area that we feel like the States and the private ownership are going to have to pick up the control on private lands.

Yes; fire protection is important. Yes; insect protection is also important.

Senator McCLURE. It is important on Federal lands and it is a Federal responsibility where it is Federal lands and where there are intermingled lands.

Mr. MYERS. It is a Federal responsibility on Federal lands. That's right.

Senator McCLURE. Do we ask for State support during fires on National Forest System lands?

Mr. MYERS. I will let the Chief answer that.

Mr. PETERSON. Yes; we have what we call a total mobility concept which involves crews moving both directions, national forest crews moving to help States and vice versa. That is done both within a State and across State lines.

Senator McCLURE. Don't we benefit some from State fire protection programs in that fire crews trained with these funds are available to help on Forest Service lands?

Mr. PETERSON. That is very true, yes.

Senator McCLURE. Senator Bumpers.

## JOB CORPS

Senator BUMPERS. Max, the Forest Service operates 18 Job Corps centers, right?

Mr. PETERSON. That is correct, yes, sir.

Senator BUMPERS. You are asking for a 70-percent reduction, from $58 million to $16.7 million?

Mr. PETERSON. That is in the Department of Labor's budget. It is only reflected here for information. That funding is not in our budget; it is in the Department of Labor's budget.

Senator BUMPERS. Do you operate those Job Corps centers under contract with the Labor Department?

Mr. PETERSON. We operate those under an agreement with the Labor Department.

Senator BUMPERS. Who is going to say which ones stay open and which ones close?

Mr. PETERSON. We will apparently have the opportunity to make recommendations. The final decision presumably will be with the Labor Department.

Senator BUMPERS. Of course you are going to recommend that Cass and Ouachita Job Corps Centers both stay open, aren't you?

Mr. PETERSON. I would presume we would.

Senator BUMPERS. They have the best records of any of the 18 you have. It would be foolish to recommend closing them.

Mr. PETERSON. We do intend to recommend that if there is a cut that the ones with the better record stay.

Senator BUMPERS. How many can you leave open, Max, with $16.7 million?

Mr. PETERSON. Let me defer to my helpers.

I am told that what we know as of now is that we are going through a joint evaluation with Interior and Labor of all the conservation centers and that we will be making this cut primarily on the basis of keeping the better centers. There is a proposal in the budget that there will be some regional distribution of centers. In other words, if you have two centers that are doing a fairly equal job, you would not leave two in the same location and close one that was the only one in that location. We don't know how many we would end up closing.

Senator BUMPERS. Max, these youngters come from all over the United States. It really doesn't make much difference what the geographical area is, does it? For example, I go to the Christmas party over at Cass every year and there are about 250 kids over there and one-half of them are from New York and Pennsylvania.

Mr. PETERSON. Suppose that you have only one center in the north central part of the United States and there are about 15 States tributary to that and in some other place you have four centers within an area. So you would try to provide some regional distribution.

I am well aware of both the centers in Arkansas. At least they have been quite good centers.

### BUDGET REQUEST

Senator BUMPERS. I have this question and I can't quite figure out the numbers. This year's budget is $2 billion total for the Forest Service; is that right?

Mr. PETERSON. It is $1.7 billion something overall.

Senator BUMPERS. You are requesting $1.73 billion for 1987.

Mr. PETERSON. You are correct for the 1986 budget.

Senator BUMPERS. Is it $1.5 billion in appropriated and $500 million in unappropriated funds?

Mr. PETERSON. Yes; it is about $2 billion in 1986.

Senator BUMPERS. Of this budget request of $1.73 billion, you anticipate about $500 million of that being nonappropriated funds. How much are you asking for in appropriated funds for 1987?

Mr. PETERSON. In appropriated funds, the comparative numbers are $1.517 billion in 1986 against $1.287 billion in 1987.

Senator BUMPERS. That is a cut of how much?

Mr. PETERSON. It's a cut of $230 million.

### REVENUES

Senator BUMPERS. Do you anticipate revenues to the Forest Service to be equal in 1987 to what they were in 1986, roughly $500 million?

Mr. PETERSON. The revenues will be greater than that. The revenues will probably total, including oil receipts, about $1.3 billion.

Senator BUMPERS. You are anticipating $1.3 billion in unappropriated moneys coming in this year?

Mr. PETERSON. In receipts of all kinds.

Senator BUMPERS. Is most of that going to be oil and gas royalties?

Mr. PETERSON. No.

Senator BUMPERS. I mean in timber sales.

Mr. PETERSON. Most of it is timber sales.

Senator BUMPERS. Then what is next after timber sales?

Mr. PETERSON. Mineral receipts.

Senator BUMPERS. Including leasing, bonus payments, and royalties?

Mr. PETERSON. Right.

Senator BUMPERS. I don't want to pursue this too long because I've got to run. Can you break down the difference between bonus payments and royalties right now?

Mr. PETERSON. We have got a paper. Would you like for us to provide it to you?

Senator BUMPERS. Yes.

Mr. PETERSON. We will give you the receipts from all sources.

Senator BUMPERS. That will be satisfactory with me, Mr. Chairman.

Senator McCLURE. It will be made a part of the record when received.

Mr. PETERSON. We will do that, and we will provide it separately to the Senator's office.

[The information follows:]

A breakdown of receipts between bonus payments and royalties is not available from the Bureau of Land Management, which collects receipts. the following is a summary of receipts from all sources:

[In thousands of dollars]

| | Fiscal year— | | | |
|---|---|---|---|---|
| | 1985 actual | 1986 estimate | 1986 estimate with DCA reduction | 1987 estimate |
| National forest fund: | | | | |
| Power | 649 | 750 | 750 | 900 |
| Minerals | 14,998 | 20,000 | 19,000 | 19,000 |
| Land uses | 2,869 | 3,400 | 3,400 | 4,300 |
| Timber | 498,547 | [1]802,548 | 802,548 | 715,700 |
| Grazing | 7,747 | 7,747 | 7,747 | 7,747 |
| Recreation, admission, and user fees | 30,826 | 33,700 | 30,826 | [2]52,000 |
| Subtotal, National forest fund receipts | 555,636 | 868,145 | 864,271 | 799,647 |
| National grasslands and utilization: | | | | |
| Minerals | 62,524 | 40,000 | 40,000 | 48,000 |
| Grazing | 1,292 | 1,292 | 1,292 | 1,292 |
| Other | 439 | 525 | 525 | 525 |
| Subtotal, national grasslands receipts | 64.255 | 41,817 | 41,817 | 49,817 |

See footnotes at end of table.

[In thousands of dollars]

| | Fiscal year— | | | |
|---|---|---|---|---|
| | 1985 actual | 1986 estimate | 1986 estimate with DCA reduction | 1987 estimate |
| Timber sale area betterment (K–V) | 186,107 | 150,000 | 150,000 | 160,000 |
| Timber purchaser road credit | (107,949) | (174,000) | (174,000) | (170,000) |
| Subtotal, amount subject to payments to States and counties | (913,947) | (1,233,962) | (1,230,088) | (1,179,464) |
| Subtotal, receipts | 805,998 | 1,059,962 | 1,056,088 | 1,009,464 |
| Brush disposal | 53,734 | 64,000 | 64,000 | 64,000 |
| Timber salvage sales | 15,232 | 25,000 | 25,000 | 27,000 |
| Cooperative contributions | 39,878 | 38,991 | 38,991 | 42,600 |
| All other | 11,470 | 16,000 | 16,000 | 16,300 |
| Total, Forest Service receipts | 926,312 | 1,203,953 | 1,200,079 | 1,159,364 |
| Mineral leases and power licenses on public domain lands | [3] 82,421 | 95,600 | 95,600 | 101,600 |
| Oregon and California grant lands | [4] 16,056 | 22,000 | 22,000 | 24,000 |
| Total revenues generated from lands managed by the Forest Service | 1,024,789 | 1,321,553 | 1,317,679 | 1,284,964 |

[1] Assumes buyback of $159,548,000 in fiscal year 1986.

[2] Assumes increased receipts of $16 million from proposed legislation in fiscal year 1987.

[3] Represents noncash estimated receipts from NFS lands deposited directly to USDI.

[4] Represents Forest Service receipts transferred to USDI for special O&C account.

## FOREST SERVICE/BUREAU OF LAND MANAGEMENT COOPERATION

Senator BUMPERS. Max, are you satisfied with your relationship with BLM and the way they are leasing your lands?

Mr. PETERSON. Yes.

Senator BUMPERS. Do they consult with you on a regular basis?

Mr. PETERSON. Yes; I think it is our feeling and BLM's feeling that there is quite a bit of duplication under the present system. As a part of the interchange we would propose to have whoever manages the surface manage the subsurface, so we would avoid some duplication that is going on that cannot be avoided under present law. We work very closely with BLM and have excellent working relationships with them.

## RECEIPTS

Senator BUMPERS. On noncompetitive leases in the forests where you just get $1 an acre, or if they are sold by lottery, what percentage do you get?

Mr. PETERSON. That goes to the Treasury, period.

Senator BUMPERS. The Forest Service doesn't get any of it?

Mr. PETERSON. No, sir.

Senator BUMPERS. Well, I misunderstood you a while ago when you were talking about receipts this year.

Mr. PETERSON. Those receipts all go to the Treasury.

Senator BUMPERS. You don't ever see them?

Mr. PETERSON. We see them en route to the Treasury.

Senator BUMPERS. How about timber sales?

Mr. PETERSON. We don't ever see those either except as we collect the money and put it in the bank.

Senator BUMPERS. How much do you anticipate in receipts from timber sales this year?

Mr. PETERSON. About $800 million.

Senator BUMPERS. And next year?

Mr. PETERSON. I think next year's receipts are down just a little bit because there was a one-time $170 million or $180 million due to contract buyout provisions which mostly were paid in 1986, and that won't be repeated in 1987. So 1987 timber receipts will probably be down just a little bit. That was our estimate. I should tell you that the rate of harvest was higher than our estimate, so that may turn out to be in error.

Let me give you the numbers. I said the fiscal year 1986 estimate was around $800 million. It's about $802.5 million. Our estimate for 1987 is $716 million in round numbers for timber.

Senator BUMPERS. How many board feet is that?

Mr. PETERSON. In 1986 the amount was around 11 billion board feet.

Senator BUMPERS. It hasn't all been harvested yet for 1986, has it?

Mr. PETERSON. We are predicting 11.2 billion board feet in 1986.

Senator BUMPERS. You actually were going to program 7.4 billion feet in new timber offerings and then you were going to reoffer 2.6 billion feet that were turned back under the Federal Timber Contract Payment Act?

Mr. PETERSON. That is correct.

## TIMBER STUMPAGE RATES

Senator BUMPERS. What has been the decline in stumpage fees in the past 2 years, Max? What was pine selling for on the stump 2 years ago as compared to right now?

Mr. PETERSON. What part of the country?

Senator BUMPERS. Arkansas.

Senator MCCLURE. There is only one.

Senator BUMPERS. What made you think I would be interested in Idaho?

Mr. PETERSON. I never try to predict, Senator.

This is Mr. George Leonard, Associate Deputy Chief for National Forest Systems.

Senator BUMPERS. Just a ball park figure is OK.

Mr. LEONARD. In the late 1970's, at the peak of the period, in the coastal area, including Arkansas, prices were up to $250 per 1,000 or so.

Senator BUMPERS. What year was that?

Mr. LEONARD. That would be in the 1979–80 and into the 1981 period. They declined rather rapidly when the market collapsed in 1981, and in 1982 dropped down to a range close to the $80 to $100 range. Then last year, because of the influx of volume from the southern pine beetle infestation, our prices in Texas and Mississippi virtually collapsed. We just completely flooded the market trying to salvage the timber there and the prices got down to as low as $10 per 1,000 to move that material. I don't think they dropped nearly that much in Arkansas, but they probably were in the $60 to $70 range.

Currently around the country we are undergoing an increase in values, kind of typical spring runup of lumber prices, and that is being reflected to some extent on our bid rates.

### TIMBER HARVEST

Senator BUMPERS. Do you have a projection for 1987 and 1988 as to how much timber you plan to harvest?

Mr. PETERSON. The 1987 budget anticipates 11.2 billion feet being harvested.

Senator BUMPERS. Wait a minute, Max. You said 1986 11.2 billion and 10 billion for 1987.

Mr. PETERSON. The same thing in 1987.

Senator BUMPERS. I am saying 1987.

Mr. PETERSON. Let me go back slowly. We predicted 11.2 billion feet being harvested in 1986. Congress cut their estimate to 10 billion feet. It looks like 11.2 billion feet will still be a good number for 1986. We are predicting that same level of harvest in 1987, 11.2 billion feet. If housing starts continue to increase with decreasing interest rates, it may be that that harvest rate will even exceed that, because harvest on national forests is related to housing starts.

Senator BUMPERS. It is also going to depend on how much lumber Canada chooses to send into this country, isn't it?

Mr. PETERSON. That is correct. Canada does have some increased capacity in the short run, but I would suspect that they may more hold steady than increase substantially.

Senator BUMPERS. Mr. Chairman, thank you very much.

Senator MCCLURE. When you say Canada is going to hold steady, do you mean at current levels? They have gone from a historical average of 19 percent of domestic market in the United States to well over 30 percent of domestic market.

Mr. PETERSON. What I am saying is that as domestic demand in this country increases worldwide demand will increase, which it is some. Canada is already starting to serve that worldwide market a little more and they may hold steady what they send the United States, which will reduce their share somewhat.

### HOUSING STARTS

Senator MCCLURE. Max, what is the current rate of housing starts?

Mr. PETERSON. About 2 million on an annual basis.

Senator MCCLURE. How many years in the last 30 have we had more than 2 million housing starts per year?

Mr. PETERSON. I think only about three times. Something like that. Maybe four times. I've got a chart here.

I only go back to 1976 here on my chart. It was only twice that it went over 2 million starts, and that was in the middle 1970's. There may have been a period previous to that. I think there may have been one other time before that.

Senator McClure. But it is a high level.

Mr. Peterson. That's right.

Senator McClure. There has been some question as to whether our timber base would be enough to sustain 2 million housing starts per year for several years in a row.

Mr. Peterson. At 2 million housing starts we would continue to use some level of imports as a part of the total mix.

Senator McClure. We have to do that in order to meet the demand?

Mr. Peterson. Theoretically we wouldn't have to, but in actual practice we probably would because of the availability of markets to Canadian timber, and we probably would export some to other countries.

Senator McClure. The reason I ask that question is, if indeed we see declining interest rates continue, and there is substantial evidence that that is likely to occur, and apparently a near consensus among economists that that is likely to occur during the balance of this year, we are already at 2 million housing starts a year and we are likely to maintain at least that if that economic condition continues through 1986 and into 1987. All of the housing start assumptions and associated timber demand assumptions are higher today than they were 2 months ago; isn't that correct?

Mr. Peterson. I believe that is correct, yes.

Senator McClure. So this is not a picture of declining demand; it is a picture of increasing demand, and it is a picture of increasing demand upon a very high consumption level already; isn't that correct?

Mr. Peterson. I think that is right. I think the only thing that has to be used to temper those numbers is that typically builders take out their permits and do a lot of starts in the spring, and they are predicting that continued fall in interest rates. So it is problematical what the final would be. It probably would be somewhere between 1.8 and 2 million overall.

Senator McClure. Do you think it would be 2 million or below?

Mr. Peterson. The consensus of a lot of economists is it might be around 1.8 million, but those were some of the same economists that thought interest rates were going to stay around 11 percent. So I don't know.

Senator McClure. If I look at Chase and Horton and DRI, their estimates are all above that.

Mr. Peterson. They are today. A few months ago they were way down.

Senator McClure. Two months ago they were in the range of 1.7 million?

Mr. Peterson. The National Association of Home Builders is at 1.8 million and I guess National Forest Products is still at 1.8 million.

Senator McClure. OMB now says 1.95 million.

Mr. Peterson. That's correct. We have been using approximately 2 million for some time as the best long-term estimate.

Senator McClure. DRI says 1.98 million.

Mr. Peterson. Right.

Senator McClure. Horton says 1.86 million. If you look at their past projections, they were below actual in the immediate past.

Mr. Peterson. That's right. A year ago they were extremely pessimistic.

Senator McClure. Are they still too pessimistic or have they suddenly become blooming optimists?

Mr. Peterson. My own judgment is that most builders know that the best time to build houses, both from a cost standpoint and the opportunity to sell them, is to get them underway about this time of year.

Senator McClure. But those are seasonally adjusted, aren't they, every one of those projections?

Mr. Peterson. Yes; right now you have got a combination of weather—they are coming out of a bad season; interest rates look like they are falling. My own personal opinion is it may be around 2 million, but maybe I am a little more optimistic than some.

Senator McClure. The reason I mentioned seasonally adjusted is that the seasonal nature and variation of housing starts is well recognized, but that is so well recognized it is adjusted in the formulas that make the predictions.

Mr. Peterson. That is true.

Senator McClure. So even if it may be high right now or in the period immediately coming up, that is adjusted over a 12-month period automatically.

Mr. Peterson. You do have this, that interest rates have fallen unusually much this spring.

Senator McClure. Well, they were abnormally high for several years.

Mr. Peterson. That's true.

Senator McClure. I guess it is about time we saw an abnormal adjustment of an abnormal situation.

Mr. Peterson. I am very glad to see it.

### TIMBER SALES

Senator McClure. So am I. But I am really concerned when we then look at a timber sales level, a program level that we appropriate for, which is then reduced because of Gramm-Rudman, particularly when this is a program that nets revenues to the Federal Treasury.

Mr. Peterson. That is correct.

Senator McClure. Let me test some figures on you and see whether you agree or disagree.

I think it costs us something on the order of $47 million per billion board feet and revenues are on the order of $70 million.

Mr. Peterson. It costs somewhere between $30 million and as high as $70 million, depending on the mix. The revenue can be higher than that. But there is a net profit.

Senator McClure. If my figures are correct, the net would be about 50 percent of the gross.

Mr. Peterson. That's correct.

Senator McClure. So if we reduce the sales by 4.3 percent we reduce the income twice as much as we reduce the expenses.

Mr. Peterson. We do if we continued on that path. That's correct.

Senator McClure. That seems to me to be kind of a stupid response. I will not ask you to comment since you didn't vote for Gramm-Rudman either. I hear more and more people bragging about the fact they didn't vote for it without having looked at what the alternatives are.

You are proposing to reduce timber sales prep program from a 1986 DCA adjusted level of 10.9 billion board feet to 10.0 billion board feet.

Mr. Peterson. That is correct.

Senator McClure. And you are proposing to reduce the administration costs, including inventory and examination work, by $10.5 million.

Mr. Peterson. That's correct.

Senator McClure. Will the reduced sales program be adequate to support timber volumes needed for housing without price increases?

Mr. Peterson. I think there will be some increases in prices of lumber and plywood as housing starts rebound because they have been held at somewhat artificial levels because of the high level of Canadian imports.

Senator McClure. If it is true that housing starts will be up, that the Canadians will not increase their exports to us and, therefore, that means domestic production must meet the demand, how did you arrive at 10 billion board foot timber sales prep and offer?

Mr. Peterson. Mr. Chairman, in looking at the ways to meet future year outlay targets and looking at what can you do to be responsive to the great concern for deficits, one of the things that we did in the late 1970's and early 1980's is we built up timber under contract, and we predicted for several years that we were going to get increased harvests and we sold more and more timber. That didn't come to pass. So what will happen now, if this new scenario happens, is we will have somewhat less timber under contract at the end of the year than we would have otherwise.

In other words, there will be an inventory adjustment, which probably will not create too many problems if it occurs in 1 year, but if this rate of harvest continues in out-years, we will obviously have to increase the level of sales or we would have a very serious inflationary situation potentially on our hands, particularly in stumpage, which is very volatile.

Senator McClure. If you were to offer and be able to sell 1 billion board feet more, by the figures we were just going through you would generate $70 million more in revenues at a cost to you of $47 million.

Mr. Peterson. That's correct, but we wouldn't say that in the same year of the outlay. So we would not show that as a net.

Senator McClure. You don't get that income in until later.

Mr. PETERSON. That's right.

Senator McCLURE. So if you reduce your sales prep and offer this year, you reduce future years income.

Mr. PETERSON. That's right, downstream somewhere.

Senator McCLURE. How is that going to help us in budgetary goals in future years?

Mr. PETERSON. We simply are trying to get through one year at a time, and that has some long-term consequences.

Senator McCLURE. That is the death of good natural resource management, isn't it, to manage one year at a time? If you are getting through one year at a time, why would you plant a tree this year? You are not going to cut it next year.

Mr. PETERSON. I am just suggesting that, when you are faced with the need to reduce outlays to meet what everybody considers important outlay reductions, the alternatives available to you aren't very good. You could not plant trees, for example. We don't consider that good land stewardship. You could not fight fire, and let it burn up the forest. We don't consider that too good. So when you start looking for places, you cannot administer the sale you made last year. So you get down to a few places you can reduce the budget, and here you are making an inventory adjustment out there, that is, how much the purchasers have under contract. Some purchasers will feel very pinched at having less under contract. Some, because of the new upfront down payment requirements and period payments, may welcome the fact that they don't have to face bidding for some more timber. It's a mixed situation out there.

## BUDGET HISTORY

Senator McCLURE. As I read your budget history table, you requested $191.5 million of the Department for the Timber Sales Prep Program. The Department reduced that request from $191.5 million to $175.7 million and forwarded that request to OMB. OMB reduced the request to $171.1 million and forwarded it to us.

What timber prep and sales volume did the Forest Service recommend to accompany its $191.5 million request?

Mr. PETERSON. Our initial request was 11 billion feet.

Senator McCLURE. What was the associated road construction cost you recommended?

Mr. PETERSON. I don't have just the road program associated with that because we have a total road program which includes some other things in it.

Senator McCLURE. Could you break that out and provide it for the record?

Mr. PETERSON. Yes; we can provide that.

[The information follows:]

The road costs associated with the initial request for an 11 billion board foot timber offer level was $185,049,000.

## HOUSING STARTS

Senator McClure. When you requested an 11 billion board foot level, what was your assumption on housing starts?

Mr. Peterson. I think it was 1.8 million at that time.

Senator McClure. And you are now suggesting, or OMB is suggesting, 2 million, but the sales prep and offer volume is down by 10 percent; is that correct?

Mr. Peterson. We all have to take ourselves back to last spring when we looked at these numbers, and we sent them to OMB last fall. So we are looking with a little bit of hindsight at these numbers now.

Senator McClure. Even with hindsight the housing starts are higher, not lower, than your estimates.

Mr. Peterson. That's correct.

Senator McClure. The harvest sales and the offer is lower, not higher. So whatever the stringency was or reduction in inventory may have been under your original proposal, it will be greater under the budget we have before us now.

Mr. Peterson. That's correct, yes.

Senator McClure. Senator Byrd.

Senator Byrd. Thank you, Mr. Chairman.

## PARSONS, WV, RESEARCH LABORATORY

Mr. Peterson, how much damage was done to the Parsons, WV, Forest Research Laboratory by the "500 Year" flood that occurred in November?

Mr. Peterson. Let me see if I can break it down. We spent, I believe, about $104,000 on repairs already to the laboratory building and research equipment and computer equipment and vehicles and on the Fernow experimental forest.

Senator Byrd. I didn't hear that last part. Would you repeat that, please.

Mr. Peterson. We spent about $104,300 on repairs to the laboratory building, and I mentioned several others things, plus some work at the Fernow experimental forest nearby.

Senator Byrd. That is named after the late Ted Fernow?

Mr. Peterson. Yes.

Additional repairs to research equipment, office equipment and furniture, computer equipment and data, and vehicles, totaling about $154,600, will be accomplished later this fiscal year.

As you know, we have advised you that we propose to close the laboratory in fiscal year 1987. If it were to remain open it would require probably somewhere around $180,000 to $200,000 in additional expenditures to the laboratory, replacing the greenhouse and auxillary buildings, and so on. We would transfer that research, as we advised you, to Morgantown.

Senator Byrd. So you would continue, under your present plans, to have the Cheat River district ranger station, comprising about 12 rangers, from the Monongahela National Forest to be colocated at that facility; is that correct?

Mr. PETERSON. That is correct. It is a colocated facility now with the Cheat River ranger district.

Senator BYRD. So you have spent something in the area of $104,000 already to rehabilitate the research laboratory, as I understand you, and you were saying what amount of money would be required to continue the research component?

Mr. PETERSON. What we think we will have to do to repair the research equipment, office equipment, furniture, computer equipment, date, and vehicles is about $155,000 at Parsons. We would use quite a bit of that at Morgantown. In other words, this is really getting all the computer equipment back in place, getting the facilities back functioning again so that we can accumulate all that research information that we have had to date there.

Senator BYRD. How much more money would you spend for the rehabilitation of the facilities that it might continue to be occupied by the 12 forest rangers?

Mr. PETERSON. To repair the residence and replace appliances at the ranger district we have got about $20,000. We have got to replace the contents of the Cheat ranger district warehouse for about $10,000. We have got the Cheat ranger district office equipment and supplies, about $19,000, and there is a ranger district oil house and miscellaneous building for about $14,000. I haven't added those all up, but we have those numbers.

We, of course, intend to keep the Cheat ranger district there. There is no intention of changing that.

Senator BYRD. What would be the savings if the research functions of the laboratory were transferred elsewhere?

Mr. PETERSON. I think we would immediately save the $188,000 in costs of additional repairs, and so on, to the laboratory, greenhouse, and auxiliary buildings. So that would be the first saving. Then there would be an annual savings of not having to operate and maintain that.

Dr. Eldon Ross, the Associate Deputy for Research is here. Maybe he can give us a better number on the annual savings.

Senator BYRD. Wouldn't some of the operation and maintenance costs attend the moving of the research program elsewhere?

Mr. PETERSON. There would be some costs in moving people; there would be some cost in relocation. To the extent that we can accommodate the people in the facility at Morgantown, which we already have, we would save the cost of operating the Parsons facility.

Dr. Ross says he does not have the exact number. What happens there is, to the extent that you have space at Morgantown and you don't have to rehabilitate this space and operate it, then it is a net savings of that amount.

Our real dilemma in research is that with both the changing and the mix of research, more atmospheric deposition research, for example, and then about a 20-percent reduction in research programs over time, we no longer can afford to keep all those locations, because if we keep all those locations, pretty soon we will have all these nice locations with no research scientists to carry out research. So we simply have to reduce fixed costs, and that is what is happening at Parsons, WV, Fairbanks, AK, Sewanee, TN, trying to reduce the number of locations for facilities. And keeping them going costs money.

Senator BYRD. What is the total number of research personnel and clerical personnel and others at the Parsons Laboratory? What was it prior to the flood, in the event it is less now than what it was then?

Mr. PETERSON. Mr. Chairman and Senator Byrd, I do not think we have that kind of detail here. I will be glad to provide it to you, but I do not have that kind of detail with me.

Senator BYRD. If you would, please, supply for the record the information I have asked for. I would like to understand how much of your budget was there prior to the November floods, the number of personnel, a breakdown of the type of personnel; what the costs and the number of personnel will be if your plans go forward to transfer some of the work elsewhere; what the costs would be and the personnel would be remaining at Parsons; and what would be the operation and maintenance costs and the number of personnel who would be involved at Morgantown once the transfer is made.

Mr. PETERSON. You would like to see a comparison with and without the transfer; is that what you are saying?

Senator BYRD. That is right.

Mr. PETERSON. We will provide that. We have that information. I just don't have it today.

[The information follows:]

TABLE 1.—IMPACT OF THE PROPOSED CLOSURE OF THE TIMBER AND WATERSHED LABORATORY AT PARSONS, WV, ON FOREST RESEARCH FUNDING[1]

| Budget line item | Reductions from fiscal year 1986 continuing resolution | Reductions from fiscal year 1986 DCA | Residual (location) funding (Morgantown, WV) |
|---|---|---|---|
| Timber management research | -$121,000 | -$107,000 | $196,000 |
| Watershed management and rehabilitation research | -168,000 | -153,000 | 167,000 |
| Total | -289,000 | -260,000 | 363,000 |

[1] Because residual funding from the University Park, PA, closure is reallocated to Morgantown, WV, along with the residual from the Parsons, WV, closure, there would only be a $107,000 reduction in the research program in West Virginia from the fiscal year 1986 continuing resolution funding level and only $78,000 from the fiscal year 1986 DCA funding level in the affected units.

TABLE 2.—IMPACT OF THE PROPOSED CLOSURE OF THE TIMBER AND WATERSHED LABORATORY AT PARSONS, WV, ON PERSONNEL

| | Reduction[1] | | | Residual[2] | | |
|---|---|---|---|---|---|---|
| | SY | Other | Total | SY | Other | Total |
| Personnel | 3 | 8 | 11 | 4 | 3 | 7 |

[1] Reductions in personnel resulting from the reduction from the fiscal year 1986 continuing resolution funding level. The reductions are estimates, subject to implementation of a formal reduction-in-force process. Personnel whose positions are terminated as a result of the funding reduction will be considered for alternative positions.

[2] Personnel whose positions are not terminated will be reassigned to Morgantown, WV. As of April 4, 1986, there was only one fewer employee at the Parsons Laboratory than there was prior to the flood. This employee was a biological laboratory technician who took advantage of the Forest Servicewide early out offering in fiscal year 1986.

TABLE 3.—NET SAVINGS FROM CLOSURE OF THE TIMBER AND WATERSHED LABORATORY IN PARSONS, WV[1]

| Item | Savings | Cost |
|---|---|---|
| Savings and costs associated with facility: | | |
| Facility operation and maintenance, annual | $48,300 | |
| Program management, annual | 2,000 | |
| Program support, annual | 66,900 | |
| Repair of flood damage[2] | 188,300 | |
| Transfer of personnel and equipment to Morgantown, WV | | $72,000 |
| Construct laboratory setups at Morgantown, WV | | 15,000 |
| Additional cost of conducting research from Morgantown, WV | | 1,300 |
| Net savings from location closure: | | |
| First year net savings | 217,200 | |
| Five-year net savings | 680,800 | |
| Reduction in research program, annual[3] | 269,000 | |

[1] Any costs associated with the discharge of personnel, such as severance pay, are excluded. Estimation of those personnel costs must be preceded by a formal reduction-in-force process.

[2] Repairs to the Parsons facility that would not be required if the research activity was moved to Morgantown, WV, a small portion of which will be needed for the Cheat ranger district's use of the facility.

[3] The forest research funding reductions are from the fiscal year 1986 continuing resolution to the fiscal year 1987 budget request.

## PARSONS LABORATORY CLOSURE

Senator BYRD. Can you indicate to this committee that you will not go forward with that transfer until the Congress has had an opportunity to act on this legislation?

Mr. PETERSON. Yes; I can tell you that, assuming that you take action some time in the reasonably foreseeable future, that you don't leave it hanging 1 year from now or something.

Senator BYRD. I don't intend to engage in any games or tricks. I want to know if this transfer is justified.

Mr. PETERSON. We will not take preemptive action. We will see what comes out of this committee and we will be in touch with you. We will not take preemptive action.

Senator BYRD. Very well.

Fine, if you will supply that information then.

Thank you, Mr. Peterson, and those who are with you.

Senator MCCLURE. Thank you, Senator Byrd.

## PLANNING COSTS

I don't know exactly how to even approach this subject nor let alone how to get to a good conclusion, but I think we all have to talk a little bit about the land management planning process. As you will recall, the National Forest Management Act [NFMA] was enacted in 1976. Ten years later we have 30 plans in final form and another 70 to 80 in draft form. This leaves 20 or 30 that have not been released in draft.

However, the process is far from over. For example, we may be facing another 3 to 5 years or more before the supplement to the region 6 planning guide is in final form and through litigation. It seems to me that we will be, at best, at least 15 years implementing the first generation of land management planning. As I recall the situation, the largest problem probably was the revision of NFMA regulations in 1983 following a court decision that the 1979 RARE II environmental impact statement and associated procedures were inadequate under NEPA. Would you agree that that was a major cause of the delay?

Mr. PETERSON. Yes; a major cause of the delay is that the roadless issue which we thought had been resolved by RARE II has turned out not to be resolved by that RARE II procedure. That meant we had to go back and reevaluate the roadless areas if Congress didn't do it for us.

Senator MCCLURE. In light of the lengthy planning process and the lengthy appeals process and the lengthy court battles, I can understand, and I do understand, that many forest supervisors are despairing of ever finishing the process. I suspect some of those gentlemen who were introduced a little earlier were rangers when this started and will be retired before it is ended. Isn't that correct?

Mr. PETERSON. I don't think any are that new in their career. I don't believe anybody back there was a ranger in 1976. There were some of them who were forest supervisors in 1976.

Senator MCCLURE. I am sure of that, knowing some of them personally over the period of time. After all, I've only been around 20 years in this particular area of the world.

Mr. PETERSON. In fact, Dale Robertson was a forest supervisor at that time, I think.

Senator MCCLURE. I am aware that many supervisors are seeking, in effect, negotiated settlements with interested parties in an effort to reduce the possibilities of drawn-out litigation. Is this accurate?

Mr. PETERSON. They have negotiated some specific items, not the entire plan, but in a few cases there have been some negotiations. Most of the time it has not been negotiation in the formal sense but at least a talking with different groups.

Secretary Myers just looked at that. For example, in Missouri he and I, along with the regional forester, looked at what turned out to be quite a polarization between several groups, but through more detailed discussion with the various groups it appears that that problem will be resolved short of any major problems.

Senator McCLURE. I do not object to negotiation. It may be the cheapest, fastest way to get it done.

Mr. PETERSON. It depends on what you might have to give up.

Senator McCLURE. You give up something, don't you?

Mr. PETERSON. You may not.

Senator McCLURE. You mean you persuade people in the negotiations to agree with the point of view you had going in.

Mr. PETERSON. No; sometimes there can be a case where everybody wins. For example, in the case we were looking at there was an argument over how many roads should be left open. Some people badly wanted certain roads to be left open to provide access to certain kinds of areas but they didn't care if some others were closed. The people who were concerned about wildlife wanted certain roads closed. Sometimes it is possible, when you get that specific, to work out something that meets everybody's objectives without anybody having compromised on their basic ideas. Men will always be able to do that.

Senator McCLURE. In certain cases I can see where the issues are relatively confined and you can get to that kind of definition and can yield good results.

Mr. PETERSON. You probably will not be able to do that if it involves roadless areas, for example. You may well not be able to deal with that kind of an issue.

Senator McCLURE. It seems to me that groups and communities that are interested in commodity production are in a no-win situation. If no new National Forest land management plans get adopted, the current plan remains in effect and opportunities to increase future activities are thereby lost. That is certainly particularly true of roadless areas. If a new plan acceptable to their interests is proposed, it gets appealed and appealed and challenged and challenged and no progress is foreseen for years.

Other interested parties, such as proponents of more acres set aside for wilderness area, can influence the process by stretching out the management decisions, wearing down the agency, wearing down the commodity user groups. In the intervening years those interest groups gain their aims.

Do you see a way to even up the balance in the process in order to make it equally desirable for both sides to seek an agreement?

Mr. PETERSON. I think there are some reasons why both groups need to seek an agreement, and that is that in many places we are using very much out-of-date plans which are not as good as plans for stewardship of that land or management of that land as they would be under the new plan.

For example. You will remember we had the case in Idaho where there was a decidedly better unit plan, and if it was not adopted we went back to the old one, which was worse. So there are some benefits because there are new standards and guidelines that are based on new information on soils, based on new information on wildlife, based on new information on timber quality and availability and on recreation demand, and so on.

There are a lot of reasons why many people should want a new plan. I agree with you that there are some who think that the political winds might be on their side if they just simply delay things, or they might get a level of frustration that causes people to negotiate something. So they might see it to their advantage to delay.

Let me give you one other more hopeful thought. We have had 140 appeals on forest plans. We have resolved already, either through looking at the appeal and saying there are really no grounds for appeal or it wasn't timely or something, or we have made a decision on the appeal in 50 of these, approaching one-half of them. We have not had a single one of those going to court. In most cases the appeal has been on just a piece of the plan, some aspect of the plan. We have not stayed plans generally pending those appeals. In fact, in most cases there has not been a request for a stay.

It would be my judgment that by the end of this year we will have roughly 100 final plans completed. I would expect by the time we get 100 plans in place we will have resolved most of the 140 appeals and we will probably have that many more.

Generally we resolve appeals within about 1 year. So if that practice follows, we can expect to be through the appeal process on those 100 plans, out of 123, about 1 year from this fall. How many of those will go to court I don't know.

I will also admit, as you well know, Mr. Chairman, that the most serious problems we will have is in those places such as Montana, Nevada, and your home State of Idaho where the roadless question is knocking us out.

Senator McClure. Complicated appeals are taking 2 or 3 years at best; is that correct?

Mr. Peterson. I do not think we have got any that have taken that long. Most of the time we resolve appeals from 6 months to 1 year, if they go all the way through the various levels. In a few cases we have suspended an appeal to allow negotiation. But most of the time they don't go on that long.

Senator McClure. How about the region 6 management supplement?

Mr. Peterson. That is a regional guide and that is a very difficult one because it involves the state of science on the spotted owl. That is the only one of all the regional guides that has not been issued and is not fully effective. That one was initially proposed about 1 year ago. It was appealed all the way to the Secretary. It may well be delayed over 1 year.

Senator McClure. I will submit some further questions with respect to both costs and the time that is involved in those appeals.

Mr. Peterson. I might say, Mr. Chairman, we are as frustrated as you are. I guess second to the tendency of people to litigate in our society, recently, more and more people are taking advantage of the appeals process. But it is also an alternative to litigation in many cases, an alternative way of resolving issues short of litigation. To the extent we can resolve issue through the appeals process, it is much more efficient and much less costly than is the litigative approach.

Senator McCLURE. I don't want to be perceived by anyone as unnecessarily critical of the Forest Service in the land management planning process. I am sure you are frustrated.

Mr. PETERSON. We are critical of ourselves.

Senator McCLURE. I know that expectations were high and perhaps too high that the planning process would eliminate resource management conflicts. Instead it seems to have, at least at this stage, surfaced those conflicts.

Mr. PETERSON. It provides a forum for expressing that was not fully available before.

Senator McCLURE. Part of it is probably because we have to do all of them all at once up front.

Mr. PETERSON. That's right.

Senator McCLURE. On the other hand, I do want to put the Forest Service on notice that I expect them to proceed expeditiously to prepare balanced plans, not plans designed to minimize litigation, but plans designed to represent a balanced professional judgment and that are designed to sustain legal challenges, not to avoid them.

Mr. PETERSON. We would agree with those strictures.

### ENDANGERED SPECIES

Senator McCLURE. Very briefly on the endangered species. You mentioned the spotted owl.

Mr. PETERSON. That is not endangered yet, Senator. We hope it doesn't become endangered.

Senator McCLURE. There are now 94 listed threatened or endangered species on National Forest System lands. That is an increase of 29 since 1984. How many of these species have recovery plans?

Mr. PETERSON. I am told 64 have recovery plans.

Senator McCLURE. How do you manage these species in the absence of a recovery plan?

Mr. PETERSON. If we are proposing to do something in an area that has threatened or endangered species, we ask for consultation with the Fish and Wildlife Service if we are going to affect the habitat. Fish and Wildlife Service then gives us the benefit of their consultation. They do not have the recovery plan yet which provides them additional guidelines. But we can ask for consultation with or without a recovery plan. In fact, we are required to.

Senator McCLURE. When a species occurs on Forest Service lands often the Fish and Wildlife Service asks the Forest Service to draft the recovery plan. Is the recovery plan preparation your responsibility under the Endangered Species Act?

Mr. PETERSON. No; the recovery plan is legally the responsibility of the Fish and Wildlife Service. We many times have biologists who are quite familiar with the species involved and we contribute to drafting that plan, but we are not legally responsible for it.

Senator McCLURE. What would it cost in money and man-years to prepare a recovery plan?

Mr. PETERSON. They vary from quite simple plans based on longtime information to complicated plans that take years. The red-cockaded woodpecker recovery plan in the Southeast took, to my knowledge, 5 or 6 years, and our research people contributed to it, our own biologists. I don't think anybody could estimate the cost.

Senator MCCLURE. You mean it is very variable?

Mr. PETERSON. Yes; a very variable cost. I don't know that I could give you an estimate of a recovery plan costs. It depends on how big it is.

Senator MCCLURE. You have 64 recovery plans in effect now. How many of these were prepared by the Forest Service and how many of them were prepared by the Fish and Wildlife Service?

Mr. PETERSON. We did not prepare any of them in total. We contributed to most of them. We were a major contributor, for example, to the red-cockaded woodpecker; we were a major contributor to grizzly bear; we were a major contributor to the California condor; the Kirtland's warbler. We were major contributors to most of them, but what percentage I couldn't tell you.

Senator MCCLURE. After you have prepared the recovery plan and it is sent to the Fish and Wildlife Service for approval, does the Fish and Wildlife Service then prepare an environmental assessment and environmental impact statement for the plan?

Mr. PETERSON. Our people serve as a member of a team that prepares the recovery plan. We don't ever prepare a recovery plan and send it to the Fish and Wildlife Service. Our people contribute to the preparation of one.

Senator MCCLURE. When is the NEPA process followed?

Mr. PETERSON. I am not sure just how they handle the NEPA process, because that is done in the Fish and Wildlife Service, not by our people.

Senator MCCLURE. When you begin to implement the plan do you also have to consult with Fish and Wildlife Service per section 7 of ESA?

Mr. PETERSON. That is correct.

### BACHMAN'S WARBLER

Senator MCCLURE. There is an associated question, and it is perhaps a dangerous one to ask because it sounds like maybe we are not sufficiently caring about that issue, but I am concerned, concerned that the Fish and Wildlife Service biological opinions on species not confirmed to be present and likely extinct cause you to spend your limited budget in inappropriate ways. For example, I understand that you are being forced by a Fish and Wildlife Service biological opinion and threat of suit from the National Wildlife Federation to spend considerable money this year for habitat manipulation and monitoring for Bachman's warbler on the Francis Marion National Forest in South Carolina even though you have evidence that the species is no longer present and is likely extinct.

Can you give me a little detail with respect to that particular question?

Mr. PETERSON. Could I ask the regional forester to do that since he is here and I think more familiar with it than I am?

Mr. ALCOCK. I will try, Mr. Chairman.

There was a threat of a suit at one point which caused us to go back and do some additional work on that with the U.S. Fish and Wildlife Service. We cannot confirm the presence of the species in question. We still have some additional work to do with the Fish and Wildlife Service before we settle exactly what it is that will constitute a recovery plan for the species. There is work ongoing on it right now.

Senator MCCLURE. Even though nobody can confirm the presence of even one?

Mr. ALCOCK. That is my understanding, Mr. Chairman.

Mr. PETERSON. That is the same information that I have, that the species was listed in 1973. Nobody knows since then whether or not there, in fact, were any Bachman's warblers present. We have been going back and looking at the initial recovery plan and what kind of habitat they would live in if they were there.

I guess the only thing we can say is that we did not think there were any black footed ferrets either for many years, and we found out there were some.

Senator MCCLURE. Well, you may even find some spotted owls somewhere else.

Mr. PETERSON. Well, there are spotted owls all the way down in California and probably in Mexico and several others places.

Senator MCCLURE. We may even find some black snails other than one spring in Idaho.

Mr. PETERSON. That may well be.

Senator MCCLURE. We have found snail darters at several places.

Mr. PETERSON. This whole business of whether there is an animal present sure raises a real difficult decision. I am sorry Senator Bumpers isn't here, because about 10 years ago we almost had an area set aside in Arkansas for a wolf, and I asked a very innocent question: Were there any wolves around? We never did figure out there were any wolves around, and I thought we ought not to set aside a place for them until we decided whether there were any there or not.

Senator MCCLURE. That seems a reasonable answer. However, I can almost assure you, since you mentioned it today, somebody is going to find one or have a suspected spotting.

Mr. PETERSON. I am not going to tell them where it was in Arkansas.

### OTHER ENDANGERED SPECIES

Senator MCCLURE. Similar situations can occur with other species. I can identify at least two others: The eastern cougar and the ivory-billed woodpecker. They are both being carried on the endangered species list even though they may be extinct. We understand that under the ESA regulations you must ask the Fish and Wildlife Service for a list of species which may be present in the area of your plan or project; is that correct?

Mr. PETERSON. That is correct.

Senator MCCLURE. The Fish and Wildlife Service then gives you a list without verifying actual presence or absence and then you must complete a biological assessment and enter into formal consultation on the effects on these species whether or not anyone can verify that they are really there; is that correct?

Mr. PETERSON. That is correct. In fact, in the Bachman's warbler case Forest Service plans were, in fact, challenged by both the National Wildlife Federation and the Fish and Wildlife Service on the grounds of possible jeopardy to the warbler.

Senator MCCLURE. I don't know how much that costs, and I suppose we should err on the side of caution.

On the eastern cougar, I understand you had to consult with the Fish and Wildlife Service on this unverified species and then due to a jeopardy opinion spend $150,000 over a 3-year period trying to verify that the extinct species was no longer present. Can you either give us here today or provide for the record a specific history on that situation?

Mr. PETERSON. We would have to provide it for the record, Mr. Chairman.

Senator MCCLURE. If you would do so, please.

[The information follows:]

*Case history of the eastern cougar recovery plan, April 11, 1986*

| | |
|---|---|
| January 15, 1973 | Proposed for listing. |
| June 4, 1973 | Listed as endangered by the U.S. Fish and Wildlife Service under the 1969 Endangered Species Act. |
| December 1973 | Automatically listed by the 1973 Endangered Species Act. |
| March 1981 | First draft of the recovery plan reviewed by the U.S. Fish and Wildlife Service. |
| August 1981 | Agency draft of the recovery plan printed. Prepared by the U.S. Fish and Wildlife Service Research Center at Clemson, SC. |
| August 2, 1982 | Final recovery plan approved by the Director, U.S. Fish and Wildlife Service. |

## ADDITIONAL COMMITTEE QUESTIONS

Senator MCCLURE. I have a number of other questions which I will submit in writing for response to the record. There are many different areas that would demand inquiry and for which we want to work with you.

Senator Rudman was unable to attend today's hearing but he will be submitting questions to the Forest Service concerning the White Mountain National Forest. All members of the subcommittee will have leave to file questions before close of business on tomorrow for a response in writing for the record.

Mr. PETERSON. We will be happy to provide that, Mr. Chairman.

Senator MCCLURE. Thank you very much. And thank you, Mr. Secretary.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

### RESEARCH

The research budget did not fare very well this year. Although it is only $8.6 million below 1986 actual levels, the proposal contains a number of troubling reductions, including:

- A reduction of 103 FTE (-4%), including 50 scientist years. This is on top of the 200 FTE's already reduced since 1980.
- Elimination of the competitive grants program.
- A reduction of $2.7 million, or -24%, in acid deposition research.
- Closure of four research laboratories: Fairbanks, Alaska; University Park, Pennsylvania; Parsons, West Virginia; and Sewanee, Tennessee.

1. Question: How much is enough for forest research? What was your research budget request for the Department? Do you agree that the budgeted level is not enough?

Answer: When deciding how much is enough for forest research, the President must weigh carefully all of the needs of the Federal Government, and compare them against each other and against the revenues available to meet such needs. The FY 1987 President's budget is sufficient to provide for the continuation of high priority research, while at the same time permitting the orderly termination of lower priority research and delayed initiation of new research activities.

The forest research FY 1987 budget request to the Department was $123,845,000. That request was later increased by the $4,000,000 transferred to the Forest Service from the Environmental Protection Agency base program for atmospheric deposition research. The effective total agency request in FY 1987 was $127,845,000.

### ACID RAIN

Last year, the Committee increased the funding provided for acid deposition research and urged you to be sure that the West and Midwest forest resources were covered appropriately.

2. Question: What did you do in 1986 specifically to increase that coverage?

Answer: In FY 1986, the Forest Service continued research on high elevation Rocky Mountain ecosystems and central California forests. We also developed plans and initiated studies in the Eastern Hardwoods Research Cooperative Program and the Western Conifers Research Cooperative Program.

3. Question: Where will you take your total reduction in acid rain research in 1987?

Answer: The total acid rain reduction of $2,250,000 will be made by three reductions and one increase. The reductions are: (1) postponing implementation of the National Vegetation Survey ($1,907,000); (2) reducing research in the Rocky Mountains, Central California, and the midwest on specific forest ecosystems ($294,000); and (3) reducing research on watersheds in the Lake States, the Midwest, and the East ($291,000). An increase of in the Forest Response Research Cooperatives of $242,000 is also proposed.

According to your justification on page 26, you will decrease and delay high altitude acid rain research in the West.

4. Question: Does this mean you will be moving acid rain collection equipment, terminating staff, or shifting staff from one project to another?

   Answer: Acid rain collection equipment will not be moved or shut down as a result of the proposed FY 1987 budget funding reductions. The proposed reductions in funding will delay completion of existing studies and delay initiation of new lower priority atmospheric deposition studies. Some staff will be shifted from watershed projects in central Pennsylvania and West Virginia, and we estimate that 3 scientists would be terminated. All watershed monitoring at key locations in Pennsylvania and West Virginia would continue despite these changes.

We are particularly concerned about acid rain problems in the Northern Rocky Mountains, and other high elevations, because of the timber and associated fish, wildlife, and recreation values provided by the National Forests. We are already spending 90% of our acid rain research money in the Northeast and Central States.

5. Question: Should we be focusing our attention on the West and Midwest also?

   Answer: Some attention is being focused on the atmospheric deposition issues of the West and Midwest. The Forest Service (FS) program includes research on forests and other ecosystems in the Rocky Mountains, California, and Pacific Northwest. The Forest Response Research Program (FS and EPA) has established a Research Cooperative Program for the Western Conifers, and the Eastern Hardwoods Cooperative Program may include forests in the Midwest. Additional research should only be accomplished through redirection of funding from the other research activities. The Eastern Forest Response Cooperatives are just now becoming well established and it would not be productive to redirect existing funds.

6. Question: Would you describe the national vegetation survey? What will we lose by reducing it from $2,154,000 in 1986 to $154,000 in 1987?

   Answer: The National Vegetation Survey (NVS) is designed to determine the extent of forest conditions that might be related to atmospheric deposition. During FY 1985 and FY 1986, research has been focused on symptoms, survey techniques, and analysis techniques. Reducing the NVS budget in FY 1987 would postpone establishing pilot surveys and postpone implementation of the operational survey. These pilot surveys and the operational survey can be postponed because there is insufficient knowledge at this time to identify which variables to measure.

7. Question: Was it intended that this be a 2-year survey, with the results being summarized in 1987, or was this intended to be a long term survey?

   Answer: The NVS is designed to be a long-term survey that will track changes in forest conditions over many years.

8. Question: It would appear that you need to collect data for a number of years before you have an adequate basis on which to judge acid rain impacts. Is that correct? Should we continue the national vegetation survey for another few years?

   Answer: Data would have to be collected over many years to develop an adequate basis to judge acid rain impacts. Currently, there is insufficient research to determine which aspects of forest condition to measure in an operational survey to detect atmospheric deposition damage. An operational survey should be implemented after more research has been completed to better understand cause/effect relationships and symptomology. Then the survey should be maintained for many years to monitor long-term trends. It is premature to initiate an operational survey of forest conditions in the NVS because of the lack of identifiable measurement variables.

You are also reducing acid rain funding in the area of effects on specific ecosystems (-20%, or -$373,000) and the area of watershed influences (-23%, or -$360,000).

9. Question: What research investigations have been completed in either of these two areas? Which ones have had significant results that would make a persuasive case for us to continue to fund these research areas?

   Answer: The following research activities have been completed:

   (1) Ecosystem sampling protocols for Rocky Mountain sites.

   (2) A lake acidification model for the Lake States (MI, MN, WI).

   (3) Natural disturbance factors that can greatly influence lake acidification have been identified in the Northeast.

   (4) Organic retention of sulfur has been identified as an important method of immobilizing sulfate in Southeastern soils.

   All of these results have been significant contributions to our understanding of atmospheric deposition problems. Work is continuing to evaluate and validate models, and study some of the identified factors in more detail. The FY 1987 budget contains adequate funding to continue these lines of research investigation. It will take time, not just funding, to collect enough scientific evidence on the nature of atmospheric deposition effects on terrestrial and aquatic ecosystems to develop scientifically sound public policy positions.

## NATIONAL ACID PRECIPITATION ASSESSMENT PROGRAM

10. Question: Describe the Forest Service role in the National Acid Precipitation Assessment Program (NAPAP).

    Answer:

    - Conducts research on terrestrial effects of atmospheric deposition (effects on forest ecosystems).
    - Conducts research on aquatic effects of atmospheric deposition (effects on watersheds, streams, lakes).
    - Funds and operates 11 wet deposition monitoring sites (as part of the NAPAP National Trends Network, NTN).
    - Represents USDA on the Interagency Scientific Committee, formerly called the Executive Committee (Charles W. Philpot, Member).
    - Provides leadership for the Terrestrial Effects Task Group (Task Group V, formerly called Task Group F) which oversees all research on effects of atmospheric deposition on forests (David L. Radloff, Task Group Leader).

11. Question: Furnish the Forest Research budget contribution to the FY 1986 and FY 1987 NAPAP effort.

Answer:

| NAPAP Task Group & Study Area | FY 1986 DCA | FY 1987 |
|---|---|---|
| | ($1,000) | |
| I. Deposition monitoring | $ 140 | $ 146 |
| II. Aquatic effects | 1,409 | 1,112 |
| III. Terrestrial effects | | |
| A. Specific ecosystem studies | | |
| 1. Rocky Mountain | 826 | 701 |
| 2. California | 336 | 246 |
| 3. Northwest | 96 | 100 |
| 4. Midwest and East | 512 | 429 |
| B. Forest Response Research Cooperatives | 5,375 | 5,617 |
| C. National Vegetation Survey | 2,061 | 154 |
| Total | $10,755 | $8,505 |

The NAPAP Task Groups classify research slightly different from the Forest Service as described on page 20 and 21 of the FY 1987 Budget Explanatory Notes.

12. Question: What is the Forest Service contribution to NAPAP in relationship to other agency contributions?

Answer: Approximately 14 percent of the FY 1986 NAPAP budget and approximately 10 percent of the FY 1987 NAPAP budget is Forest Service contribution.

The enclosed tables describe the NAPAP FY 1986 and FY 1987 budgets, as of February 11, 1986 and February 19, 1986, respectively. The Forest Service budget estimates listed on page 21 are different than those shown in the enclosed published NAPAP budget tables. The NAPAP budget tables do not include the DCA sequestering or Forest Service reclassification of ongoing studies that contribute to the NAPAP effort. In spite of these differences, the tables still provide a picture of the Forest Service involvement in NAPAP relative to other agencies.

NAPAP FY 1986 BUDGET (as of 11-Feb-86)

| | | USDA | | | | | DOI | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | EPA | CSRS | ARS | FS | NOAA | DOE | NPS | USGS | FWS | BLM | TOTAL | % |
| A | | | | | 832 | | | | | | 832 | 1.0% |
| B | 3363 | | | | | 700 | | | | | 4063 | 5.0% |
| C | 8590 | | | | 2086 | 4729 | | | | | 15405 | 18.8% |
| D | 5760 | 248 | | 146 | 1138 | 954 | 111 | 1923 | | 85 | 10365 | 12.6% |
| E | 18034 | | | 210 | | 240 | 374 | 420 | 1494 | | 20772 | 25.3% |
| F | 11758 | 1045 | 384 | 10849 | | 120 | | 500 | | | 24656 | 30.1% |
| G | 1013 | | | | | | 825 | 155 | | | 1993 | 2.4% |

### NAPAP FY 1986 BUDGET (as of 11-Feb-86)

| | | USDA | | | | | DOI | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | EPA | CSRS | ARS | FS | NOAA | DOE | NPS | USGS | FWS | BLM | TOTAL | % |
| H | 623 | | | | | | | | | | 623 | 0.8% |
| I | 2065 | | | | | 1232 | | | | | 3297 | 4.0% |
| | | 1293 | 384 | 11205 | | | 1310 | 2998 | 1494 | 85 | | |
| TOTALS: | | | | | | | | | | | | |
| | 51206 | | 12882 | | 4056 | 7975 | | 5887 | | | $82,006 | |
| | 62.4% | | 15.7% | | 4.9% | 9.7% | | 7.2% | | | 100.0% | |

### NAPAP FY 1987 Budget (as of 19-Feb-86)

($ in K)

| | EPA | USDA | NOAA | DOE | DOI | TVA | Total |
|---|---|---|---|---|---|---|---|
| A. | | | 905 | | | | 905 |
| B. | 3,163 | | | 950 | | | 4,113 |
| C. | 14,221 | | 2,105 | 5,015 | | 200 | 21,541 |
| D. | 6,049 | 394 | 1,138 | 997 | 2,416 | | 10,994 |
| E. | 18,034 | 210 | | 250 | 2,075 | | 20,569 |
| F. | 11,966 | 9,389 | | 40 | 1,010 | 200 | 22,605 |
| G. | 1,013 | 0 | | | 1,098 | | 2,111 |
| H. | 323 | | | | | | 323 |
| I. | 331 | | | 1,950 | | | 2,281 |
| | 55,100 | 9,993 | 4,148 | 9,202 | 6,599 | 400 | $85,442 |

Note that A = natural sources, B = man-made sources, C = atmospheric processes, D = deposition monitoring, E = aquatic effects, F = terrestrial effects, G = effects on materials and cultural resources, H = control technologies, I = assessments, and J = international activities.

### FOREST RESPONSE RESEARCH PROGRAM

13. Question: What is the status of the EPA/FS program in 1986?

Answer:

- In 1985, the EPA and the FS signed an Interagency Agreement for managing the joint program.
- FS funding to the joint FS/EPA program in FY 1986 is $7,436,000. The Forest Response Research Program is a subset of the total FS atmospheric deposition program of $10,755,000 in FY 1986.

- Estimated EPA funding to the program in FY 1986 is $8,400,000, including $1,100,000 for monitoring atmospheric deposition at research sites). Some of the $8,400,000 will be managed internally by EPA and some will be "passed through" to the FS.

14. Question: How much funding would be required in FY 1987 to fully fund the Forest Response Research Program?

    Answer: The FY 1987 President's budget provides for the retention of high priority atmospheric deposition research, while at the same time providing for the termination of lower priority research. Funding in FY 1987 includes $5,617,000 for the Forest Response Research Program and $154,000 for the National Vegetation Survey. The present estimate of the EPA contribution in FY 1987 is $8,400,000, for a total of $14,171,000. Implementation of an operational National Vegetation Survey is premature at this time because research on the effects of atmospheric deposition and associated forest responses is at too early a stage and has provided insufficient knowledge to identify which variables to measure in an operational survey.

    Estimated full funding for the Forest Response Research Program would be $17,000,000. This is based on $12,000,000 for 4 research cooperatives, $3,000,000 for the National Vegetation Survey, and $2,000,000 for deposition monitoring.

15. Question: How much funding would be required to restore the FY 1987 atmospheric deposition program, including the Forest Response Research Program component, to the FY 1986 DCA level?

    Answer: An additional $2,250,000 would restore the FS atmospheric deposition program to the FY 1986 DCA level. Of this amount, $1,907,000 would be for the National Vegetation Survey and $343,000 would be for other FS atmospheric deposition studies. However, such increases are not considered necessary within the total funding needs of the NAPAP.

## INTERNATIONAL RESEARCH

We would like to compliment you on the international area budget proposed for the Forest Service. Last year, the Committee funded increases in three areas totaling $880,000 (+68%). These areas are forest products research; cooperative research; and technical assistance, including training. Your 1987 budget proposal maintains the Committee's funding level for 1986.

We are confident that forestry research and technical assistance conducted through the Forest Service's Institute of Tropical Forestry in Puerto Rico has tremendous potential to improve forest management and economic development throughout the Caribbean region and Latin America.

16. Question: What have we been able to determine so far about the twin problems of deforestation, primarily for fuelwood and slash and burn subsistence agricultural purposes, and the need for reforestation?

    Answer: We have been able to determine that deforestation is a serious worldwide problem which is particularly acute in many developing countries in the tropics. The lives of more than one billion people are adversely affected by floods, lack of fuel, degradation of soil, and reduced agricultural productivity that are a partial result of deforestation. The leading cause of deforestation in the tropics is clearing of land for subsistence agriculture and for domestic fuel supplies. Because these causes are not easily eliminated, some deforestation is certain to continue. Reforestation of already degraded land and reforestation to keep up with current losses of forest cover are vital needs in most tropical developing countries.

    A great deal is known about the rate, the causes, and the results of deforestation. At the same time, many potential solutions are known and have been demonstrated. Several recent reports attest to this knowledge. These reports also provide evidence that awareness of the deforestation problem is high and that efforts are already underway to solve the problem, but a clear message emerges that substantial new investment is needed.

17. Question: While we recognize that the political and social aspects of these issues are beyond the scope of the Forest Service, are we able to provide research and technical assistance to address those problems?

Answer: Our strength lies in developing technical solutions to biological problems, although we can contribute also in areas such as social forestry and land use policy. While the deforestation problem must be solved ultimately by integrated action within the political, social, economic, and biological areas of the affected country, the Forest Service can provide the necessary forestry research and technical assistance.

Within the Forest Service, we have a well developed system for conducting research and transferring solutions to users. A significant portion of our expertise can be applied to tropical forestry problems, and we have an excellent relationship with U.S. AID, international organizations, and tropical countries themselves to carry out research cooperatively and to transmit results in the form of technical assistance.

We added funding last year for research and management activities for the endangered Puerto Rican parrot in the Caribbean National Forest. We are concerned that the Forest Service use this money wisely because we are on the brink of another remarkable recovery effort. We want to be reassured that recovery is the overwhelming purpose, not just research or facility management, or some other objective.

18. Question: Would you please provide for the record a statement of how you are using the money in 1986 and what is proposed for 1987?

Answer: In FY 1986, funding was used for monitoring bird populations, nest sites, and predators (bees, rats, etc.); continuing the development of a new captive population in a second aviary in Rio Bajo; and providing research on habitat use and impacts of hawk predation on fledglings. Radiotelemetery of young parrots has provided documentation of hawk predation levels and habitat use in and around nesting sites.

The FY 1987 President's budget is $205,000 for the Puerto Rican parrot, an increase in funding of $8,800 from the FY 1986 DCA of $196,200. Funding will be used to initiate additional studies on habitat requirements of parrots in the non-breeding season, and on the impacts of human activity on parrot populations. These studies have and should continue to provide the key information needed for successful recovery operations.

We understand that our international research program is also market oriented, in the sense that we research ways to increase our own exports and help identify uses and processing techniques for timber products from Caribbean forests.

19. Question: Are either of these areas particularly promising?

Answer: We believe both areas are promising, but research efforts such as this typically produce gradual rather than sudden results. The encouragement of mutually beneficial trade, including trade in wood products, between the United States and the countries of the Caribbean region is an important component of the President's Caribbean Basin Initiative. It may seem contradictory to encourage both exports and imports of wood products. However, often the products that are traded are different, both in respect to tree species used and the form of the finished product. Hence, both trading partners can export or import products to their respective economic advantage.

20. Question: What results or efforts would you point to specifically?

Answer: Since increases in research in these areas have been fairly recent, results still are preliminary. Previous wood utilization research at the Forest Service's Institute of Tropical Forestry and the Forest Products Laboratory at Madison, Wisconsin resulted in a definitive publication on the characteristics and uses of tropical woods. The publication, "Tropical Timbers of the World," U.S.D.A. Handbook 607, was published in 1984. This handbook has become a basic reference on the utilization of tropical tree species. Another example of helpful research results is a study of the forest products trade flow patterns between the United States and the Caribbean Islands.

21. Question: Why should we continue this aspect of that research activity?

Answer: Encouragement of forest products trade with our neighboring countries in the Caribbean and other tropical regions can provide mutual advantages of better products at lower costs to both trading partners. Forest Research can contribute to this international trade through a greater understanding of the economic behavior of the markets, development of procedures to detect and protect against the transport of undesirable insects and diseases, and the development of production technologies to most effectively use imported raw materials and efficiently produce forest products for export.

22. Question: How much research do you have relating to air quality in class I wilderness ecosystems? Please list and explain.

Answer: The Forest Service initiated research on Atmospheric Deposition in Natural Ecosystems of the Western United States in FY 1985. This research effort is headquartered at Fort Collins, Colorado, and addresses air quality questions in class I wilderness ecosystems. Its mission is to improve knowledge about the effects of atmospheric deposition on natural ecosystems in the western United States. Specific objectives include: developing protocols for establishing chemical and physical baselines for air quality effects in class I areas; understanding processes by which atmospheric chemicals are incorporated in snowpacks and subsequently transferred, transformed, and physically distributed to class I ecosystems; and developing knowledge of the effects of atmospheric deposition on productivity of sensitive components of alpine and subalpine terrestrial ecosystems in the Western United States.

You are proposing to terminate fire ecology research in Alaska (page 26). We would think that research on fires in Alaska would be a critical aspect of forest programs.

23. Question: Do you have other Alaska fire research that you would continue?

Answer: There are no funds provided in FY 1987 for fire research in interior Alaska. However, other Forest Service fire research, such as the fire behavior modeling research at Missoula, Montana, provides research results that are useful in addressing management issues in interior Alaska. Since fire research was initiated at the Fairbanks laboratory in the mid-1950's, it has focused on the first generation of knowledge about interior Alaska's natural resources, including the fire-driven ecology of the interior and northern forests. That research effort has provided enough basic knowledge on the ecology of fire effects in interior Alaska to permit redirection of the Fire and Atmospheric Sciences Research program to other higher priority research issues, such as research on fire behavior and air quality in the Pacific Northwest and Alaska.

## INSECT AND DISEASE RESEARCH

Of all of the destructive pests, spruce budworms and mountain and other bark beetles are two of the worst. Yet, the Forest Service is proposing to reduce spruce budworm research $223,000 (-12%) and bark beetle $58,000 (-5%).

24. Question: Do we know all we need to know about these pests and, therefore, do not need to continue funding, or do we assign other pests higher funding priority? Which reason is it that causes this funding reduction?

    Answer: We have learned a great deal over the past few years about how to manage forests to reduce losses from the spruce budworms. From 1978 to 1984, Canada and the United States joined forces to expand and accelerate research and development aimed at the spruce budworm in the East and the western spruce budworm in the West. The program was called the Canada/United States Spruce Budworms Program (CANUSA), which was completed in September 30, 1984. It was designed to evaluate strategies for controlling the spruce budworms and managing budworm-susceptible forests. Scientific information of worldwide interest is appearing in hundreds of journal articles and technical papers as a result of this research. User-oriented publications for forest managers and pest management specialists are being distributed, so that forest managers now have more reliable means for attaining their objectives in a cost-effective and environmentally acceptable manner.

    The FY 1987 President's budget of $1,623,000 permits continued research in the East and West to fill important gaps remaining in our knowledge. The reduction in funding from FY 1986 was proposed for research in spruce-fir forests of the East where management of the spruce budworm is primarily a problem of developing appropriate silvicultural prescriptions. We do not have complete answers yet on how to keep spruce budworms at low levels, but silviculture may be a key strategy in achieving this.

    The proposed reduction in FY 1987 for the mountain pine and other bark beetles is for research on chemical insecticides, because we now have four insecticides registered for these pests. The long-term solution to controlling bark beetles is believed to be through silvicultural practices. Most of the remaining budget of $1,015,000 for FY 1987 will be used to support silviculture research.

25. Question: We are continuing our gypsy moth program at the 1985/1986 level. Isn't 1987 the 4th year of a 5-year special initiative on gypsy moth?

    Answer: FY 1987 is the 4th year of the research initiative to develop means to manage gypsy moth at low population levels. This research was supported by congressionally earmarked funds in FY 1984, 1985, and 1986. The FY 1987 President's budget provides funding at the FY 1986 level. This research is a joint effort by universities, research institutes, state agencies, other federal agencies and the Forest Service.

26. Question: Compared to our original 5-year plan for gypsy moth, how is our actual progress? Please provide an objective by objective comparison of our work to date against our original plan.

    Answer: We are still working with the original research plan and our progress is on schedule. An accounting by objective is as follows:

    Objective #1 - Determine the Effects of Gypsy Moth on Forests. Research under way is designed to develop ways to measure and predict impact such as growth loss and mortality on forest stands, to understand the natural and man-caused mechanisms involved in the mortality process, and to develop silvicultural treatments for minimizing impacts. Cooperators include West Virginia Department of Agriculture, Pennsylvania Bureau of Forestry, West Virginia University, University of Virginia, and Penn State University.

ACCOMPLISHMENTS:

- o Developed guidelines for applying forest management treatments to minimize timber losses from gypsy moth defoliation.
- o Developed and released hazard rating guidelines based on 8 years of gypsy moth defoliation data collected from 600 plots in Pennsylvania.
- o Collected data from several states that describe site and stand conditions influencing mortality and growth loss following defoliation.
- o Completed study that shows the expected type and rate of tree deterioration after it dies from gypsy moth defoliation, and how this affects salvage potential.

Objective #2 - Improve Understanding of the Biology and Population Dynamics of Gypsy Moth. Research under way includes studies to improve sampling for gypsy moth, to determine important meteorological factors in its forest environment and to clarify the role that susceptible forest sites play in area-wide outbreaks. Cooperators include University of Connecticut, University of Vermont, University of Massachusetts, University of Maryland, Cary Arboretum, Virginia Polytechnical Institute and State University, University of Virginia, and Penn State University.

ACCOMPLISHMENTS:

- o Completed observations on permanent study sites that showed that forests susceptible to gypsy moth have higher gypsy moth populations.
- o Monitored population densities to improve our understanding of population behavior during incipient stage of outbreaks (from low density to outbreak phase).
- o Identified gypsy moth susceptible sites by defoliation mapping and from historical defoliation records.
- o Improved methods for monitoring larval numbers when density is low.

Objective #3 - Develop the Means to Utilize Parasites as Regulators in Low Level Gypsy Moth Populations. Research includes developing an understanding of the impact that parasites have on gypsy moths, the role of parasitism in low density gypsy moth populations, the chemical and behavioral basis of host selection, and developing methods of rearing, evaluating and establishing exotic parasites. Cooperators include University of Massachusetts, University of Maryland, and University of Vermont.

ACCOMPLISHMENTS:

- o Accomplished significant advances in understanding parasite effects on gypsy moth population dynamics during low density periods.
- o Improved procedures for sampling parasites.
- o Developed methods for determining optimum sampling periods for accurate estimates of parasite effects.

Objective #4 - Determine the Role of Invertebrate and Vertebrate Predators in Low Level Gypsy Moth Populations. Research includes studies to evaluate gypsy moth mortality caused by predators, searching behavior and effects of alternative food sources on predation rate, dynamic relationships between predators and other natural enemies of the gypsy moth, and the feasibility of manipulating predator populations and their habitat to enhance predation effects. Cooperators include Penn State University, University of West Virginia, and Dartmouth College.

ACCOMPLISHMENTS:

- o Studied food habits of white-footed mice, a predator of gypsy moth, and found that their diet is an important factor in understanding why some sites are susceptible to gypsy moth defoliation.
- o Discovered that shrub density and protective cover have a major effect on foraging behavior of white-footed mice. This has important implications for understanding why some areas are focal points for outbreaks.
- o Obtained new data were on the food preferences and feeding techniques of various species of warblers, providing a better understanding of their value as natural enemies of gypsy moth.

Objective #5 - Determine the Role of Selected Pathogens and Develop Technology to Utilize Them as Regulators in Low to Medium Gypsy Moth Populations. Research underway is designed to understand the role of pathogens such as the nuclear polyhedrosis virus, Bacillus thuringiensis, and protozoa as natural or artificially introduced regulators in static or pre-outbreak gypsy moth populations, and improving the technology for using them in suppression, which includes developing or improving formulation and application techniques for introducing them into gypsy moth populations. Cooperators include University of California, Illinois Natural History Survey, University of Maryland, University of Massachusetts, Penn State University, Boyce Thompson Institute, Maryland Department of Agriculture, and Agriculture Research Service.

ACCOMPLISHMENTS:

- o Demonstrated for the first time that the gypsy moth virus can be transmitted from generation to generation in the eggs (transovarially).
- o Developed methods to assay level of natural virus on foliage and to evaluate canopy distribution of microbial spray deposits.
- o Discovered that at least 3 species of microsporidia collected from gypsy moth in Czechoslovakia and Portugal may be candidates for release against the gypsy moth in the United States.
- o Developed a more effective strain of Bacillus thuringiensis (Bt), called NRD-12, that is now commercially registered for use against several species of economically important Lepidoptera.

Objective #6 - Evaluate the Role of Integrated Pest Management (IPM) for Gypsy Moth. Research is designed to develop the technology for managing the gypsy moth at population levels that are below the level causing visible damage and subsequent impact. This requires a monitoring system that warns of changes in trends of low to moderate density populations, a decision making process for users, and environmentally sound tactics to manage gypsy moth populations at various densities. Cooperators include Animal and Plant Health Inspection Service (APHIS), Agriculture Research Service (ARS), Maryland Department of Agriculture, North Carolina Department of Agriculture, Vermont Department of Forests, Parks and Recreation, University of Maryland, State University of New York, Virginia Polytechnical Institute and State University, University of Massachusetts, Penn State University, University of Vermont, and University of Connecticut.

ACCOMPLISHMENTS:

- o Reconfirmed the potential for using the inherited sterility technique in low density populations, using irradiated gypsy moth eggs. Larvae that hatch from treated eggs become sterile adults. The sterile males compete successfully with native males resulting in infertile matings.

- o Developed a cooperative study with the Eastern Connecticut Forest Landowners to simplify the system of burlap bands (on trees) and pheromone traps to assess gypsy moth populations. The objective is to provide woodlot owners with tools to monitor gypsy moth and make better decisions on need for control.

- o Developed a statewide monitoring system in Massachusetts. Software packages generate graphics, contour plots, and trend analyses so that state officials are better informed on status of gypsy moth and need for suppression.

- o Evaluated in a Pilot Project the feasibility of managing gypsy moth populations at low levels over a wide range of ecological, geographic, and land-use areas using an IPM approach. Much of the research on this objective complements and is done in collaboration with the Maryland Gypsy Moth IPM Project, a 5-year cooperative effort of the Maryland Department of Agriculture and United States Department of Agriculture.

Objective #7 - Develop Scientific Technical Support for Gypsy Moth Research. The Technical Support Program provides for a consistent supply of high quality insects to facilitate research and development in the other six major target areas. Cooperator is APHIS.

ACCOMPLISHMENTS:

- o Supplied 11 university, state, and federal cooperators with laboratory-reared gypsy moths. Colonies of gypsy moth parasites were maintained and supplied as needed.

- o Produced about 1.2 million gypsy moth egg masses from irradiated-male/normal-female matings.

- o Improved rearing procedures.

27. Question: We are facing another proposal (page 33) to stretch out the Forest Inventory cycle. Please prepare a table for the record showing the current cycle compared to the proposed cycle, by area of the country, and the funding needed to retain the current schedule.

Answer: FY 1986 funding, after DCA, extended the inventory cycle in FY 1986 to 12 years. This cycle is maintained in the FY 1987 President's budget. To restore the cycle to the 10-year nationwide average, will require an increase of $827,000. The following table shows the average inventory cycle Nationwide and by major subregions for the FY 1986 DCA and the FY 1987 President's budget:

Budget and Inventory Remeasurement Cycles for Forest Inventory and Analysis at Various Funding Levels

| Forest Inventory and Analysis | FY 1986 DCA | Inv. Cycle | FY 1987 | Inv. Cycle |
|---|---|---|---|---|
| West | 4,371 | 14 | 4,339 | 14 |
| North | 3,632 | 12 | 3,567 | 12 |
| South | 4,630 | 8 | 4,611 | 8 |
| Resource Inventories Nationwide | 12,633 | 12 | 12,517 | 12 |
| Multiresource Techniques & timber requirements research | 1,622 | | 1,551 | |
| Total FIA* | 14,255 | | 14,068 | -827 |

*Excludes the National Vegetation Survey which is also funded from Forest Inventory and Analysis (FIA).

28. Question: We have rejected proposals for closing the Sewanee, Tennessee lab in prior years. Will its research efforts be relocated elsewhere or terminated?

Answer: The major research activities at Sewanee will be relocated to Auburn. We plan to transfer the Sewanee project leader to Auburn where we will continue the most important studies previously managed at Sewanee. Less important studies will be closed. All of the permanent full-time employees will be offered jobs at Auburn or other Forest Service locations.

29. Question: For the locations listed on page 39, please spread the dollar amount of the reductions and include 1980-1987 data for each location, including dollars and FTEs.

Answer: The allocation of proposed FY 1987 funding and FTE reductions in the Timber Management Research program from the FY 1986 DCA is:

| Location | ---Reductions---<br>Funding ($1,000) | FTE |
|---|---|---|
| 1. Fairbanks, AK | 498 | 11 |
| 2. Gainsville, FL | 109 | 2 |
| 3. Sewanee, TN | 252 | 5 |
| 4. Parsons, WV | 107 | 6 |
| 5. Boise, ID | 44 | 0 |
| 6. Honolulu, HI | 48 | 0 |

The funding reductions are offset by an increase of $896,000 of nonlisted research work units, for a total reduction of $162,000. The FTE reductions differ from the amount in the FY 1987 Budget Explanatory Notes due to a shift in personnel within the research work units.

The historical funding and Scientist Year information for these same locations is shown in the following table:

| Research Work Unit (Dollars in thousands) | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 |
|---|---|---|---|---|---|---|---|---|
| PNW - 4351 | 1,296 | 1,455 | 1,458 | 1,395 | 1,296 | 1,290 | 1,245 | 0 |
| Fairbanks, AK (SY's) | 10.0 | 10.0 | 9.0 | 10.0 | 9.0 | 9.0 | 9.0 | 0 |
| SE - 4107 | | | 268 1/ | 275 | 249 | 231 | 109 | 0 |
| Gainsville, FL (SY's) | | | 2.0 | 2.0 | 2.0 | 2.0 | 1.3 | 0 |
| SO - 4102 | 294 | 362 | 309 | 314 | 300 | 287 | 271 | 0 |
| Sewanee, TN (SY's) | 3.0 | 3.0 | 3.0 | 2.0 | 2.0 | 2.0 | 2.0 | 0 |
| NE -4101 | 391 | 536 | 416 | 425 | 398 | 322 | 303 | 0 |
| Parsons, WV (SY's) | 4.1 | 3.2 | 3.1 | 3.1 | 3.0 | 4.0 | 4.0 | 0 |
| INT - 4101 | 158 | 149 | 142 | 155 | 172 | 133 | 112 | 68 |
| Boise, ID (SY's) | 3.0 | 3.0 | 3.0 | 2.0 | 2.0 | 2.0 | 1.0 | 1.0 |
| PSW - 4151 | 335 | 370 | 373 | 348 | 285 | 509 | 487 | 454 |
| Honolula, HI (SY's) | 5.0 | 4.5 | 3.0 | 3.0 | 3.0 | 4.2 | 3.3 | 3.0 |

1/ First year the research work unit was established.

This table reports the number of Scientist Years (SY's) rather than the total FTE's because most of the research program records at the Research Work Unit-level keep SY's as an indication of the personnel input. The average ratio of FTE's to SY's for Forest Research is approximately 3 FTE's per SY.

30. Question: Isn't reforestation success for the Hawaiian koa and ohia essential to the preservation of threatened populations of Hawaiian forest birds and water quality?

Answer: Reforestation success for the Hawaiian ohia and especially the koa is very important for preservation of threatened populations of Hawaiian birds. However, there is less concern regarding water quality. The porous volcanic soils of Hawaii minimize runoff and erosion problems, and can be stabalized by a variety of plant species.

31. Question: Spread the dollar and FTE reductions for the locations on page 43 and page 52.

Answer: The allocation of the proposed FY 1987 funding and FTE reduction from the FY 1986 DCA is:

Watershed Management and Rehabilitation Research:

| Location | ---Reductions--- Funding ($1,000) | FTE |
|---|---|---|
| 1. Riverside, CA | 107 | 0 |
| 2. Laramie, WY | 97 | 0 |
| 3. Grand Rapids, MN | 107 | 1 |
| 4. Parsons, WV | 153 | 3 |
| 5. University Park, PA | 152 | 3 |

The funding reductions are offset by an increase of $624,000 of nonlisted research work units, for a total increase of $8,000.

Forest Products and Harvesting Research:

| Location | ---Reductions--- Funding ($1,000) | FTE |
|---|---|---|
| 1. Athens, GA | 320 | 6 |
| 2. Carbondale, IL | 66 | 2 |
| 3. Madison, WI (fiberboard) | 56 | 2 |
| 4. Madison, WI (flake/resin panels) | 56 | 2 |
| 5. Madison, WI (species properties) | 231 | 3 |
| 6. Madison, WI (moisture movement) | 56 | 1 |
| 7. Missoula, MT | 50 | 0 |

The funding reductions are offset by an increase of $754,000 of nonlisted research work units, for a total reduction of $46,000.

## COMPETITIVE GRANTS

32. Question: Is basic biotechnology research valuable enough that we should do it even if we have to reduce the amount of Forest Service in-house funded research?

Answer: The Forest Service recognizes that research in basic forest biotechnology has the potential for producing significant advances in forest management practices and wood utilization processes. Therefore, it is given the highest priority in the in-house research program. This research has high-level scientists that are the established leaders in the field of biotechnology, and they are already making significant scientific contributions. In addition, Forest Service research work units are organized to produce reliable research results, promptly disseminate new knowledge, and help transfer new technologies into the hands of user groups that is often lacking in the research done under the competitive grants program. Therefore, we do not think it would be desirable to reduce in-house biotechnology work in order to fund the same type of work through competitive grants.

33. Question: Please provide for the record a complete work unit by location funding summary covering at least 1985-1987.

Answer: Funding of the research work units by location for FYs 1985-1987 is shown below.

FOREST SERVICE RESEARCH APPROPRIATIONS AND SCIENTIST-YEARS
1985 APPROPRIATIONS
1986 APPROPRIATIONS ENACTED TO DATE
1986 ESTIMATE WITH DCA REDUCTION
1987 ESTIMATE AND CHANGES FROM 1986 DCA LEVEL

**ALASKA**

| | | FY 85 | | FY 87 BASE | | FY 87 BASE-FY 86 DCA | FY 86 DCA EST | FY 86 DCA-FY 86 DCA | 87 EST |
|---|---|---|---|---|---|---|---|---|---|
| | | ST | $000 | ST | $000 | $CHANGE | $000 | $CHANGE | $000 |
| ANCHORAGE | FFASR | .0 | | .0 | | 0 | | 206 | 206 |
| PNW 1655 Werner | FIDR | .0 | | .0 | | 0 | | 0 | |
| Ecology and Management of the Taiga--I | FIA | .0 | | .0 | | 0 | | 0 | |
| *** RWU MOVED FROM FAIRBANKS,AK | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 174 | 174 |
| | WRFHR | .0 | | .0 | | 0 | | 145 | 145 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| PNW 4103 LaBau | FIDR | .0 | | .0 | | 0 | | 0 | |
| Forest Inventory Analysis | FIA | 4.0 | 1,050 | .0 | 1,056 | -45 | 1,011 | -99 | 912 |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL ANCHORAGE | | 4.0 | 1,050 | 4.0 | 1,056 | -45 | 1,011 | 426 | 1,437 |
| FAIRBANKS | FFASR | 1.0 | 199 | 1.0 | 197 | -8 | 189 | -189 | |
| PNW 1651 Werner | FIDR | 2.0 | 213 | 2.0 | 206 | -9 | 197 | -197 | 0 |
| Ecology and Management of the Taiga | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 3.0 | 495 | 3.0 | 522 | -22 | 500 | -500 | 0 |
| | WMRR | 2.0 | 175 | 2.0 | 174 | -8 | 167 | -167 | 0 |
| | WRFHR | 1.0 | 208 | 1.0 | 201 | -9 | 192 | -192 | 0 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL FAIRBANKS | | 9.0 | 1,290 | 9.0 | 1,301 | -56 | 1,245 | -1,245 | 0 |
| JUNEAU | FFASR | .0 | | .0 | | 0 | | 0 | |
| PNW 1652 Bey (Acting Farr) | FIDR | 1.0 | 71 | 1.0 | 69 | -3 | 66 | 3 | 69 |
| Ecology of SE Alaska Forests | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | 4.0 | 290 | 4.0 | 289 | -12 | 277 | 12 | 289 |
| | WRFHR | 5.0 | 370 | 5.0 | 358 | -15 | 342 | 15 | 358 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| JUNEAU | FFASR | .0 | | .0 | | 0 | | 0 | |
| PNW 1705 Meehan (Acting Bryant) | FIDR | .0 | | .0 | | 0 | | 0 | |
| Anadromous Fish Habitat | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | 3.0 | 350 | 3.0 | 350 | -15 | 335 | 15 | 350 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL JUNEAU | | 13.0 | 1,081 | 13.0 | 1,066 | -46 | 1,020 | 46 | 1,066 |
| GRAND TOTAL ALASKA | | 26.0 | 3,421 | 26.0 | 3,423 | -147 | 3,276 | -769 | 2,507 |

**ALABAMA**

| | | FY 85 | | FY 87 BASE | | FY 87 BASE-FY 86 DCA | FY 86 DCA EST | FY 86 DCA-FY 86 DCA | 87 EST |
|---|---|---|---|---|---|---|---|---|---|
| | | ST | $000 | ST | $000 | $CHANGE | $000 | $CHANGE | $000 |
| AUBURN | FFASR | .0 | | .0 | | 0 | | 0 | |
| SO 1116 Boyer | FIDR | .0 | | .0 | | 0 | | 0 | |
| Control of Undesirable Vegetation | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 5.0 | 524 | 5.0 | 586 | -25 | 561 | 25 | 586 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| SO 3701 Sirois | FIDR | .0 | | .0 | | 0 | | 0 | |
| Engineer Systems for Intensive Management | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 2.5 | 448 | 2.0 | 442 | -19 | 423 | 19 | 442 |
| TOTAL AUBURN | | 7.5 | 972 | 7.0 | 1,028 | -44 | 984 | 44 | 1,028 |
| GRAND TOTAL ALABAMA | | 7.5 | 972 | 7.0 | 1,028 | -44 | 984 | 44 | 1,028 |

| | | FY 85 ST | FY 85 $000 | FY 87 BASE ST | FY 87 BASE $000 | FY 87 BASE- FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA- FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| **ARKANSAS** | | | | | | | | | |
| MONTICELLO | FFASR | .0 | | .0 | | 0 | | 0 | |
| SO 1117 Baker | FIDR | .0 | | .0 | | 0 | | 0 | |
| Timber Management Alternatives | FIA | .0 | | | | | | | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 6.0 | 567 | 6.0 | 629 | -27 | 602 | 27 | 629 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| TOTAL MONTICELLO | | 6.0 | 567 | 6.0 | 629 | -27 | 602 | 27 | 629 |
| GRAND TOTAL ARKANSAS | | 6.0 | 567 | 6.0 | 629 | -27 | 602 | 27 | 629 |
| **ARIZONA** | | | | | | | | | |
| FLAGSTAFF | FFASR | .0 | | .0 | | 0 | | 0 | |
| RM 1254 Tinus | FIDR | .0 | 160 | 1.0 | 155 | -7 | 148 | 7 | 155 |
| Stress Physiology of SW Tree Species | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 2.0 | 324 | 2.0 | 352 | -15 | 337 | 15 | 352 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | 3.5 | 512 | 3.5 | 510 | -22 | 488 | -140 | 349 |
| RM 2152 Ronco | FIDR | .0 | | .0 | | 0 | | 0 | |
| Management of SW Forest | FIA | .0 | | .0 | | 0 | | 0 | |
| and Pinyon-Juniper | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 1.5 | 147 | 1.5 | 134 | -6 | 128 | 6 | 134 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| TOTAL FLAGSTAFF | | 7.0 | 1,142 | 8.0 | 1,150 | -49 | 1,101 | -112 | 989 |
| TEMPE | FFASR | .0 | | .0 | | 0 | | 0 | |
| RM 1606 DeBano | FIDR | .0 | | .0 | | 0 | | 0 | |
| Management of SW Watersheds | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | 4.0 | 875 | 4.0 | 878 | -38 | 841 | 38 | 878 |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| RM 1753 Patton | FIDR | .0 | | .0 | | 0 | | 0 | |
| Effects of Forest and Range on Fish | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | 1.0 | 126 | 1.0 | 129 | -6 | 124 | 6 | 129 |
| | WRFMR | 5.0 | 625 | 4.0 | 625 | -27 | 598 | -106 | 491 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| TOTAL TEMPE | | 10.0 | 1,626 | 9.0 | 1,633 | -70 | 1,562 | -63 | 1,499 |
| GRAND TOTAL ARIZONA | | 17.0 | 2,768 | 17.0 | 2,783 | -120 | 2,663 | -175 | 2,488 |
| **CALIFORNIA** | | | | | | | | | |
| ARCATA | FFASR | .0 | | .0 | | 0 | | 0 | |
| PSW 1651 Ziemer | FIDR | .0 | | .0 | | 0 | | 0 | |
| Management of Unstable Forest Lands | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | 3.0 | 387 | 3.0 | 481 | -21 | 461 | 21 | 481 |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| PSW 1754 Ralph | FIDR | .0 | | .0 | | 0 | | 0 | |
| Timber/Wildlife Interaction | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | 150 | .0 | 151 | -6 | 144 | 6 | 151 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | 2.0 | 468 | 2.3 | 563 | -24 | 539 | 24 | 563 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| TOTAL ARCATA | | 5.0 | 1,005 | 5.3 | 1,195 | -51 | 1,143 | 51 | 1,195 |

| | | FY 85<br>ST | FY 85<br>$000 | FY 87 BASE<br>ST | FY 87 BASE<br>$000 | FY 87 BASE-<br>FY 86 DCA<br>$CHANGE | FY 86<br>DCA EST<br>$000 | FY 86 DCA-<br>FY 86 DCA<br>$CHANGE | 87 EST<br>$000 |
|---|---|---|---|---|---|---|---|---|---|
| BERKELEY | FFASR | .0 | | .0 | | 0 | | 0 | |
| PSW 1401 Ledig | FIDR | .0 | | .0 | | 0 | | 0 | |
| Genetics Western Forest Trees | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 4.8 | 895 | 5.0 | 1,035 | -45 | 990 | 45 | 1,035 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| PSW 1499 Critchfield | FIDR | .0 | | .0 | | 0 | | 0 | |
| Hybridization and Evolution | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 1.0 | 86 | 1.0 | 89 | -4 | 85 | 4 | 89 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| BERKELEY | FFASR | .0 | | .0 | | 0 | | 0 | |
| PSW 1601 Berg | FIDR | .0 | | .0 | | 0 | | 0 | |
| Hydrology Snow Zone | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | 2.0 | 272 | 2.0 | 271 | -12 | 259 | 12 | 271 |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| PSW 1903 Wagar | FIDR | .0 | | .0 | | 0 | | 0 | |
| Urban Forestry | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | 4.5 | 307 | 4.5 | 321 | -14 | 308 | 14 | 321 |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| PSW 2200 Williams | FIDR | 2.0 | 225 | 3.0 | 278 | -12 | 266 | -266 | 0 |
| Pest Impact Assessment | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | 1.0 | 83 | -4 | 79 | -79 | 0 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| PSW 2205 Scharpf | FIDR | 3.0 | 302 | 2.0 | 285 | -12 | 272 | 12 | 285 |
| Biology Forest Diseases | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| PSW 2208 Haverty | FIDR | 7.0 | 762 | 6.0 | 587 | -25 | 562 | -86 | 476 |
| Biology Insects/Regeneration | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| BERKELEY | FFASR | .0 | | .0 | | 0 | | 0 | |
| PSW 2209 Robertson | FIDR | 6.0 | 591 | 6.0 | 689 | -30 | 659 | -26 | 633 |
| Int. Mgmt. of Forest Insects | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| PSW 2251 Williams | FIDR | .0 | | .0 | | 0 | | 278 | 278 |
| Pest Impact Assessment | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 83 | 83 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL BERKELEY | | 30.3 | 3,437 | 30.5 | 3,639 | -156 | 3,482 | -11 | 3,471 |
| FRESNO | FFASR | .0 | | .0 | | 0 | | 0 | |
| PSW 1701 Kie | FIDR | .0 | | .0 | | 0 | | 0 | |
| Range Management Research | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | 2.0 | 284 | 2.0 | 284 | -12 | 272 | 12 | 284 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |

| | | FY 85 ST | FY 85 $000 | FY 87 BASE ST | FY 87 BASE $000 | FY 87 BASE-FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA-FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| PSW 1702 Verner<br>Monitoring Methods | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | 2.0 | 343 | 2.0 | 438 | -19 | 419 | 19 | 438 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| TOTAL FRESNO | | 4.0 | 627 | 4.0 | 722 | -31 | 691 | 31 | 722 |
| REDDING<br>PSW 1201 Oliver<br>Silviculture-Conifers | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 4.0 | 372 | 3.0 | 390 | -17 | 374 | 17 | 390 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| PSW 1207 Leache<br>Regeneration of CA Forests | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 4.0 | 321 | 4.0 | 445 | -19 | 426 | 19 | 443 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| TOTAL REDDING | | 8.0 | 692 | 7.0 | 835 | -36 | 799 | 36 | 835 |
| RIVERSIDE<br>PSW 1653 Conard<br>Chaparral Ecology and Ecosystems | FFASR | 2.0 | 519 | 2.0 | 293 | -13 | 281 | 13 | 293 |
| | FIDR | 1.0 | 92 | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | 4.0 | 506 | 3.0 | 298 | -13 | 286 | 13 | 298 |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| PSW 2108 Fosberg<br>Meteorology | FFASR | 4.0 | 414 | 2.6 | 415 | -18 | 397 | 18 | 415 |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| RIVERSIDE<br>PSW 2111 Cleaves<br>Fire Economics | FFASR | 4.0 | 466 | 3.0 | 420 | -18 | 402 | 18 | 420 |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | 3.0 | 215 | 2.0 | 133 | -6 | 127 | 6 | 133 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| PSW 2112 Anderson<br>Prescribed Burning | FFASR | 3.0 | 426 | 3.0 | 476 | -20 | 455 | 20 | 476 |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| PSW 2151 Dunn<br>Acid Deposition, Western U.S. | FFASR | .0 | | 2.0 | 372 | -16 | 356 | 16 | 372 |
| | FIDR | .0 | | 1.0 | 92 | -4 | 88 | 4 | 92 |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| TOTAL RIVERSIDE | | 21.0 | 2,637 | 19.6 | 2,704 | -116 | 2,587 | 4 | 2,592 |
| GRAND TOTAL CALIFORNIA | | 68.3 | 8,400 | 66.4 | 9,094 | -391 | 8,703 | 112 | 5,884 |
| COLORADO | | | | | | | | | |
| FORT COLLINS<br>RM 1252 Alexander<br>Multiresource Management of Subalpine | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 1.0 | 99 | 1.0 | 97 | -4 | -493 | 4 | 97 |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 4.5 | 420 | 4.5 | 412 | -18 | 395 | 18 | 412 |
| | WMRR | 1.5 | 352 | 1.5 | 357 | -15 | 342 | 15 | 357 |
| | WRFMR | 2.0 | 287 | 1.0 | 190 | -8 | 182 | 8 | 190 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |

| | | FY 85 SY | FY 85 $000 | FY 87 BASE SY | FY 87 BASE $000 | FY 87 BASE- FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA- FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| RM 2153 Fox<br>Atmospheric Deposition in Natural Ecosystems | FFASR | 3.0 | 841 | 2.0 | 889 | -38 | 850 | -123 | 727 |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | 1.0 | 397 | 1.0 | 219 | -9 | 209 | 9 | 219 |
| | WRFRR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| RM 2205 Hawksworth<br>Tree Diseases in the RM and SW | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 1.0 | 466 | 1.0 | 615 | -26 | 589 | 26 | 615 |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFRR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| RM 4101 Hoekstra<br>Land and Resource Management Planning | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | 8.0 | 647 | .0 | 683 | -29 | 654 | 29 | 683 |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFRR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| RM 4102 Schreuder<br>Multiresource Inventory Techniques | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | 2.0 | 399 | .0 | 387 | -17 | 371 | -96 | 276 |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFRR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| RM 4252 Peterson<br>Valuation of Wildland Benefits | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | 3.0 | | 0 | | 0 | |
| | RREc | 5.0 | 394 | 5.0 | 392 | -17 | 375 | 17 | 392 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | 1.0 | 103 | 1.0 | 164 | -7 | 157 | 7 | 164 |
| | WRFRR | .0 | | .0 | | 0 | | 0 | |
| | FRR | 1.0 | 107 | 1.0 | 106 | -5 | 102 | 5 | 106 |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| TOTAL FORT COLLINS | | 31.0 | 4,512 | 27.0 | 4,512 | -194 | 4,318 | -78 | 4,239 |
| GRAND TOTAL COLORADO | | 31/- | 4,512 | 27.0 | 4,512 | -194 | 4318 | -78 | 4,239 |

CONNECTICUT

| | | FY 85 SY | FY 85 $000 | FY 87 BASE SY | FY 87 BASE $000 | FY 87 BASE- FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA- FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| HAMDEN<br>NE 2201 Wallner<br>Ecology and Management of NE Insect Pest | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 5.0 | 583 | 4.0 | 456 | -20 | 437 | 20 | 456 |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFRR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| NE 2302 McManus<br>Control of Eastern Tree Insects | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 4.0 | 560 | 4.0 | 519 | -22 | 497 | 22 | 519 |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFRR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| NE 2210 Houston<br>Diebacks and Declines<br>Atmos. Dep./Veg. Survey | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 3.0 | 447 | 3.0 | 464 | -20 | 444 | 20 | 464 |
| | FIA | .0 | 142 | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFRR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| TOTAL HAMDEN | | 12.0 | 1,732 | 11.0 | 1,439 | -62 | 1,378 | 62 | 1,439 |
| GRAND TOTAL CONNECTICUT | | 12.0 | 1,732 | 11.0 | 1,439 | -62 | 1,378 | 62 | 1,439 |

|  |  | FY 85 ST | FY 85 $000 | FY 87 BASE ST | FY 87 BASE $000 | FY 87 BASE-FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA-FY 86 DCA $CHANGE | 87 BUT $000 |
|---|---|---|---|---|---|---|---|---|---|
| WASHINGTON OFFICE |  |  |  |  |  |  |  |  |  |
| WASHINGTON<br>WO 9990 Ohman<br>Program Management |  | .0 | (7216)* | .0 | (7621)* | (-328)* | (7293)* | (-409)* | (6884)* |
| WO 9995 OCC<br>Competitive Grants |  | .0 | 7,840 | .0 | 6,800 | -292 | 6,500 | -6,500 | 0 |
| WO 9997<br>ATMOSPHERIC DEPOSITION FUNDS<br>TO BE DISTRIBUTED TO FIELD |  | .0 | 2,029 | .0 | 4,000 |  | 4,000 |  | 4,000 |
| WO 9998 Thatcher<br>Transfer to CSRS |  | .0 | 143 | .0 |  | 0 | 0 | 0 | 0 |
| GRAND TOTAL WASHINGTON OFFICE |  | .0 | (7216)*<br>10,012 | .0 | (7621)*<br>10,800 | (-328)*<br>-292 | (7293)*<br>10,500 | (-409)*<br>-6,500 | (6884)*<br>4,000 |
| FLORIDA |  |  |  |  |  |  |  |  |  |
| GAINESVILLE<br>SE 1153 Swindel<br>Intensive Management Prac. Assess. Center | FFASR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FIDR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FIA | .0 |  | .0 |  | 0 |  | 0 |  |
|  | RRRc | .0 |  | .0 |  | 0 |  | 0 |  |
|  | TMR | 3.7 | 388 | 4.0 | 389 | -17 | 373 | 11 | 384 |
|  | WHRR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | WRFRR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FRR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FPMR | .0 |  | .0 |  | 0 |  | 0 |  |
| SE 1404 Kossuth<br>Improving Forest Products Yield | FFASR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FIDR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FIA | .0 |  | .0 |  | 0 |  | 0 |  |
|  | RRRc | .0 |  | .0 |  | 0 |  | 0 |  |
|  | TMR | 2.0 | 213 | 1.3 | 114 | -5 | 109 | -109 | 0 |
|  | WHRR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | WRFRR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FRR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FPMR | .0 |  | .0 |  | 0 |  | 0 |  |
| TOTAL GAINESVILLE |  | 5.7 | 619 | 5.3 | 503 | -22 | 482 | -98 | 384 |
| OLUSTEE<br>SE 2232 Miller<br>IPM in Slash and Longleaf Pine | FFASR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FIDR | 3.9 | 433 | 3.0 | 498 | -21 | 477 | 21 | 498 |
|  | FIA | .0 |  | .0 |  | 0 |  | 0 |  |
|  | RRRc | .0 |  | .0 |  | 0 |  | 0 |  |
|  | TMR | 1.0 | 94 | 1.0 | 94 | -4 | 90 | 4 | 94 |
|  | WHRR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | WRFRR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FRR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FPMR | .0 |  | .0 |  | 0 |  | 0 |  |
| TOTAL OLUSTEE |  | 4.9 | 527 | 4.0 | 592 | -25 | 567 | 25 | 592 |
| GRAND TOTAL FLORIDA |  | 10.6 | 1,146 | 9.3 | 1,095 | -47 | 1,049 | -73 | 976 |
| GEORGIA |  |  |  |  |  |  |  |  |  |
| ATHENS<br>SE 1903 Cordell<br>Urban Forest Research in the South | FFASR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FIDR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FIA | .0 |  | .0 |  | 0 |  | 0 |  |
|  | RRRc | .0 |  | .0 |  | 0 |  | 0 |  |
|  | TMR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | WHRR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | WRFRR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FRR | 1.5 | 162 | 1.5 | 178 | -8 | 171 | 0 | 178 |
|  | FPMR | .0 |  | .0 |  | 0 |  | 0 |  |
| SE 2301 Yates<br>Control of Cone and Seed Insects | FFASR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FIDR | 2.0 | 590 | 4.0 | 599 | -26 | 573 | 26 | 599 |
|  | FIA | .0 |  | .0 |  | 0 |  | 0 |  |
|  | RRRc | .0 |  | .0 |  | 0 |  | 0 |  |
|  | TMR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | WHRR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | WRFRR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FRR | .0 |  | .0 |  | 0 |  | 0 |  |
|  | FPMR | .0 |  | .0 |  | 0 |  | 0 |  |

*Program Management includes the office of the Deputy Chief for Research and a staff of expert scientists for national coordination and evaluation of the Research Program. Also included are assessments from the USDA. These funds are in support of the research work units and thus the funds are distributed and shown in the figures for research work units. No General Administration funds are included.

| | | FY 85 SY | FY 85 $000 | FY 87 BASE SY | FY 87 BASE $000 | FY 87 BASE-FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA-FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| SE 2211 Powers<br>Diseases of SO Pine Plantations | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 6.0 | 665 | 6.0 | 859 | -37 | 822 | 37 | 859 |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| SE 2251 Marx<br>Mycorrhizal R&D | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 7.5 | 429 | 4.0 | 350 | -15 | 335 | 15 | 350 |
| | FIA | 1.5 | 227 | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 2.0 | 156 | 2.0 | 156 | -7 | 149 | 7 | 156 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| ATHENS<br>SE 3101 Saucier<br>Utilization of Southern Timber | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | 1.0 | 227 | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 2.0 | 263 | 3.0 | 164 | -7 | 157 | 95 | 252 |
| SE 3501 Koenigshof<br>Wood Products Research | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 4.6 | 516 | 4.0 | 400 | -10 | 391 | -391 | 0 |
| TOTAL ATHENS | | 22.5 | 3,263 | 24.5 | 2,715 | -117 | 2,599 | -203 | 2,396 |
| MACON<br>SE 1117 Bramlett<br>Stand Establishment of Lob. Pine | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 4.0 | 333 | 4.0 | 343 | -15 | 328 | 15 | 343 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| MACON<br>SE 1403 Kraus<br>Tree Improvement | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 2.0 | 257 | 2.0 | 257 | -11 | 246 | 11 | 257 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| MACON<br>SE 2110 McMahon<br>Combustion Proc. Wildland Fuels | FFASR | 3.0 | 702 | 2.0 | 704 | -30 | 674 | 30 | 704 |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| SE 2111 Johnson<br>Fire Science Adaptations/SE U.S. | FFASR | 2.0 | 197 | 2.0 | 175 | -8 | 167 | 8 | 175 |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| SE 2112 Paul<br>Forestry Weather Data System | FFASR | 3.0 | 310 | 3.0 | 319 | -16 | 306 | 16 | 319 |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL MACON | | 14.0 | 1,827 | 13.0 | 1,799 | -77 | 1,722 | 77 | 1,799 |
| GRAND TOTAL GEORGIA | | 36.5 | 5,090 | 37.5 | 4,514 | -194 | 4,320 | -126 | 4,195 |

HAWAII

| | | FY 85 SY | FY 85 $000 | FY 87 BASE SY | FY 87 BASE $000 | FY 87 BASE-FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA-FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| HONOLULU | FFASR | .0 | | .0 | | 0 | | 0 | |
| PSW 1251 Conrad | FIDR | 1.5 | 210 | 1.3 | 219 | -9 | 209 | 9 | 219 |
| Forest Management Research | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 1.0 | 132 | /3 | 153 | -8 | 146 | -40 | 90 |
| | WMRR | 1.7 | 130 | 1.7 | 130 | -6 | 132 | 6 | 130 |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| PSW 1252 Whitesell | FIDR | .0 | | .0 | | 0 | | 0 | |
| Pacific Islands Forestry | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 1.0 | 165 | 1.0 | 165 | -7 | 158 | 7 | 165 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL HONOLULU | | 6.0 | 674 | 5.1 | 674 | -29 | 645 | -26 | 619 |
| GRAND TOTAL HAWAII | | 6.0 | 674 | 5.1 | 674 | -29 | 645 | -26 | 619 |

IDAHO

| | | FY 85 SY | FY 85 $000 | FY 87 BASE SY | FY 87 BASE $000 | FY 87 BASE-FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA-FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| BOISE | FFASR | .0 | | .0 | | 0 | | 0 | |
| INT 1208 Acting Steele | FIDR | .0 | | .0 | | 0 | | 0 | |
| Ecology and Silviculture of Fir/Pine | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 2.0 | 133 | 1.0 | 117 | -5 | 112 | -44 | 68 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| INT 1604 Megahan | FIDR | .0 | | .0 | | 0 | | 0 | |
| Minimize Nonpoint Source Pollution | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | 3.0 | 510 | 3.0 | 543 | -23 | 519 | 23 | 542 |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| INT 1706 Clary | FIDR | .0 | | .0 | | 0 | | 0 | |
| Ecology and Management of Shrub-Herb | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | 4.0 | 550 | 4.0 | 552 | -24 | 528 | 24 | 552 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL BOISE | | 9.0 | 1,201 | 8.0 | 1,212 | -52 | 1,160 | 3 | 1,162 |
| MOSCOW | FFASR | .0 | | .0 | | 0 | | 0 | |
| INT 1232 Harvey | FIDR | 3.0 | 208 | 3.0 | 255 | -11 | 244 | -39 | 205 |
| Silviculture of Ecosystems and Tree Dise | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 2.0 | 192 | 2.0 | 207 | -9 | 198 | 9 | 207 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| [illegible] | FFASR | .0 | | .0 | | 0 | | 0 | |
| INT 1351 Stage | FIDR | .0 | 52 | .0 | 53 | -2 | 51 | 2 | 53 |
| Quantitative Analysis of Forest Management | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 5.0 | 465 | 5.0 | 475 | -20 | 455 | 20 | 475 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| INT 1451 Hoff | FIDR | 2.0 | 271 | 2.0 | 230 | -10 | 229 | 10 | 239 |
| Genetics and Pest Resistance in WW | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 2.0 | 183 | 1.0 | 185 | -8 | 177 | 8 | 185 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| INT 3702 Burroughs | FIDR | .0 | | .0 | | 0 | | 0 | |
| Engineering Technology for Improved | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | 3.0 | 579 | 3.0 | 571 | -25 | 546 | 25 | 571 |
| TOTAL MOSCOW | | 18.0 | 2,031 | 16.0 | 1,985 | -85 | 1,900 | 35 | 1,935 |
| GRAND TOTAL IDAHO | | 27.0 | 3,232 | 24.0 | 3,197 | -137 | 3,059 | 38 | 3,097 |

ILLINOIS

| | | FY 85 SY | FY 85 $000 | FY 87 BASE SY | FY 87 BASE $000 | FY 87 BASE- FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA- FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| CARBONDALE | FFASR | .0 | | .0 | | 0 | | 0 | |
| NC 1151 Weber | FIDR | 3.0 | 264 | 2.0 | 284 | -12 | 271 | -271 | 0 |
| Culture, Protection/Fine Hardwoods | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 3.5 | 442 | 4.0 | 498 | -21 | 477 | 21 | 498 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| NC 3201 Phelps | FIDR | .0 | | .0 | | 0 | | 0 | |
| Hardwood Processing Techniques | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .9 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | 2.3 | 473 | 3.0 | 478 | -21 | 458 | -45 | 413 |
| TOTAL CARBONDALE | | 8.0 | 1,150 | 9.0 | 1,260 | -54 | 1,206 | -296 | 910 |
| CHICAGO | FFASR | .0 | | .0 | | 0 | | 0 | |
| NC 1952 Dwyer | FIDR | .0 | | .0 | | 0 | | 0 | |
| Enhancing Forest Recreation Opp. | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | 2.0 | 295 | 2.0 | 361 | -16 | 365 | 211 | 556 |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL CHICAGO | | 2.0 | 295 | 2.0 | 361 | -16 | 365 | 211 | 556 |
| GRAND TOTAL ILLINOIS | | 10.0 | 1,451 | 11.0 | 1,621 | -70 | 1,571 | -85 | 1,467 |

KENTUCKY

| | | FY 85 SY | FY 85 $000 | FY 87 BASE SY | FY 87 BASE $000 | FY 87 BASE- FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA- FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| BEREA | FFASR | .0 | | .0 | | 0 | | 0 | |
| NE 1603 Vogel, Acting | FIDR | .0 | | .0 | | 0 | | 0 | |
| Reclamation of Surface Mined Areas | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 1.1 | 99 | 1.0 | 57 | -2 | 54 | 2 | 57 |
| | WMRR | 4.8 | 698 | 5.0 | 687 | -30 | 657 | 30 | 686 |
| | WRFHR | .1 | 35 | .0 | 35 | -1 | 33 | 1 | 35 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL BEREA | | 6.0 | 831 | 6.0 | 777 | -33 | 744 | 33 | 777 |
| GRAND TOTAL KENTUCKY | | 6.0 | 831 | 6.0 | 777 | -33 | 744 | 33 | 777 |

LOUISIANA

| | | FY 85 SY | FY 85 $000 | FY 87 BASE SY | FY 87 BASE $000 | FY 87 BASE- FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA- FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| ALEXANDRIA | FFASR | .0 | | .0 | | 0 | | 0 | |
| SO 1102 Barnett | FIDR | .0 | | .0 | | 0 | | 0 | |
| Silviculture of SO Pines | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 10.0 | 988 | 7.0 | 879 | -38 | 841 | 38 | 879 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| SO 1701 Pearson | FIDR | .0 | | .0 | | 0 | | 0 | |
| Range Management for Pine Ecosystem | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | 2.0 | 348 | 2.0 | 352 | -15 | 337 | 15 | 352 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| SO 2203 Lorio | FIDR | 5.0 | 661 | 5.0 | 840 | -36 | 804 | 36 | 840 |
| Southern Pine Bark Beetles | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| SO 2210 Thatcher | FIDR | .0 | 1,165 | .0 | | 0 | | 0 | |
| IPM Southern Pine Beetles | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |

| | | FY 85 SY | FY 85 $000 | FY 87 BASE SY | FY 87 BASE $000 | FY 87 BASE- FY 86 DCA (CHANGE) | FY 86 DCA EST $000 | FY 88 BUD- FY 86 DCA (CHANGE) | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| ALEXANDRIA | FFASR | .0 | | .0 | | 0 | | 0 | |
| SO 3201 Hemingway | FIDR | .0 | | .0 | | 0 | | 0 | |
| Processing Southern Woods | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | 6.0 | 834 | 6.3 | 824 | -35 | 789 | 35 | 824 |
| SO 9999 Drummond | FFASR | .0 | | .0 | | 0 | | 0 | |
| Assoc. Dep. Veg. Survey | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | 120 | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL ALEXANDRIA | | 21.0 | 4,134 | 10.3 | 2,096 | -125 | 1,971 | 125 | 2,096 |
| NEW ORLEANS | FFASR | .0 | | .0 | | 0 | | 0 | |
| SO 1302 Bell | FIDR | .0 | | .0 | | 0 | | 0 | |
| Stat. Methods for Research Application | FIA | .0 | 142 | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .7 | 74 | 2.0 | 127 | -6 | 121 | 25 | 146 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| SO 4302 Siegel | FFASR | .0 | | .0 | | 0 | | 0 | |
| Eval. of Tax and Econ. Influence | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | 6.5 | 402 | 6.0 | 399 | -17 | 382 | 17 | 399 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL NEW ORLEANS | | 7.2 | 618 | 8.0 | 526 | -23 | 503 | 42 | 545 |
| GRAND TOTAL LOUISIANA | | 28.2 | 4,752 | 18.3 | 2,622 | -147 | 2,475 | 166 | 2,641 |
| MASSACHUSETTS | | | | | | | | | |
| AMHERST | FFASR | .0 | | .0 | | 0 | | 0 | |
| NE 1751 DeGraaf | FIDR | .5 | 25 | 1.0 | 71 | -3 | 68 | 3 | 71 |
| Northeastern Wildlife Habitat | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | 2.5 | 274 | 2.0 | 273 | -12 | 261 | 12 | 273 |
| | FRR | .0 | 71 | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL AMHERST | | 3.0 | 370 | 3.0 | 344 | -15 | 329 | 15 | 344 |
| GRAND TOTAL MASSACHUSETTS | | 3.0 | 370 | 3.0 | 344 | -15 | 329 | 15 | 344 |
| MAINE | | | | | | | | | |
| ORONO | FFASR | .0 | | .0 | | 0 | | 0 | |
| NE 1151 Blum | FIDR | 3.3 | 312 | 3.0 | 361 | -16 | 346 | -208 | 138 |
| Culture of NE Spruce-fir Forests | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 2.7 | 292 | 3.0 | 240 | -10 | 229 | 10 | 240 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL ORONO | | 6.0 | 604 | 6.0 | 601 | -26 | 575 | -198 | 378 |
| GRAND TOTAL MAINE | | 6.0 | 604 | 6.0 | 601 | -26 | 575 | -198 | 378 |
| MICHIGAN | | | | | | | | | |
| EAST LANSING | FFASR | 4.0 | 475 | 5.0 | 477 | -20 | 457 | 20 | 477 |
| NC 2101 Simard | FIDR | .0 | | .0 | | 0 | | 0 | |
| Fire Management Planning for NE US | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |

| | | FY 85 SY | FY 85 $000 | FY 87 BASE SY | FY 87 BASE $000 | FY 87 BASE- FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA- FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| NC 2203 Wilson | FIDR | 3.0 | 630 | 3.0 | 679 | -21 | 658 | 21 | 679 |
| Insects Affecting Forest Plantation | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| NC 4205 Vasievich | FIDR | .0 | | .0 | | 0 | | 0 | |
| Econ. of Alternate Forest Mgmt. Choices | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | 1.5 | 156 | -7 | 149 | 7 | 156 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL EAST LANSING | | 7.0 | 914 | 7.5 | 1,109 | -48 | 1,062 | 48 | 1,109 |
| HOUGHTON | FFASR | .0 | | .0 | | 0 | | 0 | |
| NC 3701 Mattson | FIDR | .0 | | .0 | | 0 | | 0 | |
| Engineering Tech. Management HD. Stands | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | 4.0 | 815 | 4.0 | 803 | -35 | 769 | 35 | 803 |
| TOTAL HOUGHTON | | 4.0 | 815 | 4.0 | 803 | -35 | 769 | 35 | 803 |
| GRAND TOTAL MICHIGAN | | 11.0 | 1,729 | 11.5 | 1,912 | -82 | 1,830 | 82 | 1,912 |
| MINNESOTA | | | | | | | | | |
| DULUTH | FFASR | .0 | | .0 | | 0 | | 0 | |
| NC 4203 Lothner | FIDR | .0 | | .0 | | 0 | | 0 | |
| Region Economics of Forest Resource | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | 5.0 | 491 | 2.0 | 292 | -13 | 280 | -97 | 183 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL DULUTH | | 5.0 | 491 | 2.0 | 292 | -13 | 280 | -97 | 183 |
| GRAND RAPIDS | FFASR | .0 | | .0 | | 0 | | 0 | |
| NC 1103 Perala | FIDR | .0 | | .0 | | 0 | | 0 | |
| Ecology and Culture of Aspen, Birch and | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 3.0 | 323 | 4.0 | 434 | -19 | 416 | 19 | 434 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| NC 1602 Verry | FIDR | .0 | | .0 | | 0 | | 0 | |
| Water Quality Management in Lake States | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | 5.2 | 616 | 5.0 | 624 | -27 | 597 | -85 | 512 |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL GRAND RAPIDS | | 8.2 | 939 | 9.0 | 1,058 | -46 | 1,013 | -66 | 946 |
| ST PAUL | FFASR | .0 | | .0 | | 0 | | 0 | |
| NC 4252 Shifley | FIDR | .0 | | .0 | | 0 | | 0 | |
| Mult. use Deci. for Ecosystems | FIA | 3.0 | 320 | .0 | 310 | -13 | 296 | 13 | 310 |
| | RREc | .0 | 26 | .0 | | 0 | | 0 | |
| | TMR | 1.0 | 140 | 1.5 | 137 | -6 | 131 | 6 | 137 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| ST. PAUL | FFASR | .0 | | .0 | | 0 | | 0 | |
| NC 1702 Nicholls | FIDR | .0 | | .0 | | 0 | | 0 | |
| Wildlife Habitat Management Research | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| ST. PAUL | TMR | .0 | | .0 | | 0 | | 0 | |
| NC-1702 Nicholls (continued) | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | 3.0 | 289 | 3.8 | 363 | -16 | 347 | 16 | 363 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| NC 1901 Lime | FIDR | .0 | | .0 | | 0 | | 0 | |
| River Recreation Management Research | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | 4.0 | 307 | 4.0 | 259 | -11 | 248 | -248 | 0 |
| | FPUR | .0 | | .0 | | 0 | | 0 | |

| | | FY 85 SY | FY 85 $000 | FY 87 BASE SY | FY 87 BASE $000 | FY 87 BASE-FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA-FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| NC 2205 Skilling<br>Diseases of Forest Tree Plantations | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 6.0 | 626 | 3.2 | 729 | -31 | 698 | 145 | 843 |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| NC 4101 Hansen<br>Resource Evaluation in NC Regions<br>Atmos. Dep./Survey | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | 6.0 | 1,052 | .0 | 1,699 | -64 | 1,636 | -46 | 1,589 |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| NC 4206 Jakes<br>Methods for Evaluating Forestry Research | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | 1.0 | | 0 | | 0 | |
| | RREc | 1.0 | 115 | 1.0 | 181 | -8 | 173 | 8 | 181 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL ST. PAUL | | 18.0 | 3,575 | 18.0 | 3,031 | -130 | 2,901 | -126 | 2,775 |
| GRAND TOTAL MINNESOTA | | 37.2 | 5,005 | 33.5 | 6,829 | -208 | 6,621 | -271 | 6,350 |
| MISSOURI | | | | | | | | | |
| COLUMBIA<br>NC 1109 Sander<br>Silvic. and Ecology of Forest Ecosystem | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 3.0 | 434 | 3.0 | 421 | -18 | 403 | 18 | 421 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| NC 1701 Nichols<br>Land Use Impact on Wildlife Habitat | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | 1.5 | 207 | .5 | 108 | -5 | 103 | 5 | 108 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL COLUMBIA | | 4.5 | 641 | 3.5 | 529 | -23 | 506 | 23 | 529 |
| GRAND TOTAL MISSOURI | | 4.5 | 641 | 3.5 | 529 | -23 | 506 | 23 | 529 |
| MISSOURI | | | | | | | | | |
| GULFPORT<br>SO 1401 Nance<br>Genetics of Southern Pines | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 1.6 | 570 | 2.7 | 696 | -21 | 675 | 21 | 696 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| SO 2303 Mauldin<br>Wood Products Insect Research | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 6.0 | 757 | 5.0 | 820 | -35 | 785 | 35 | 820 |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| SO 2208 Snow<br>Diseases of Southern Pine | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 6.0 | 635 | 3.3 | 605 | -35 | 570 | -166 | 404 |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL GULFPORT | | 13.6 | 1,962 | 11.0 | 2,121 | -91 | 2,030 | -110 | 1,920 |

| | | FY 85 ST | FY 85 $000 | FY 87 BASE ST | FY 87 BASE $000 | FY 87 BASE-FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA-FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| OXFORD<br>SO 1051 Ursic<br>Hydrologic Eval. of Forest Management | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 1.2 | 133 | 1.2 | 126 | -5 | 120 | 0 | |
| | WWRR | 4.8 | 574 | 4.8 | 528 | -23 | 505 | 5 | 126 |
| | WRFHR | .0 | | .0 | | 0 | | 23 | 528 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | | | | | | | | 0 | |
| TOTAL OXFORD | | 6.0 | 707 | 6.0 | 653 | -28 | 625 | 26 | 653 |
| STARKVILLE<br>SO 1100 Bonner<br>Technology of Southern Tree Seed | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 2.0 | 189 | 2.0 | 210 | -9 | 200 | 0 | |
| | WWRR | .0 | | .0 | | 0 | | 9 | 210 |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | | | | | | | | 0 | |
| SO 4101 Beltz<br>Forest Inventory and Analysis | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | 5.0 | 2,437 | .0 | 2,421 | -104 | 2,317 | -7 | 2,311 |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WWRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | | | | | | | | 0 | |
| TOTAL STARKVILLE | | 7.0 | 2,626 | 8.0 | 2,639 | -113 | 2,526 | 3 | 2,520 |
| STONEVILLE<br>SO 1110 Johnson<br>Regeneration and Management Hardwood | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 5.0 | 625 | 3.3 | 599 | -26 | 573 | 0 | |
| | WWRR | .0 | | .0 | | 0 | | 26 | 599 |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | | | | | | | | 0 | |
| SO 2200 Filer<br>Southern Hardwood Insect and Disease | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 4.0 | 459 | 4.0 | 517 | -22 | 495 | 22 | 517 |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WWRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | | | | | | | | 0 | |
| TOTAL STONEVILLE | | 9.0 | 1,084 | 7.3 | 1,116 | -60 | 1,060 | 60 | 1,116 |
| GRAND TOTAL MISSISSIPPI | | 35.6 | 6,379 | 33.1 | 6,529 | -281 | 6,248 | -31 | 6,217 |
| MONTANA | | | | | | | | | |
| BOZEMAN<br>INT 1251 Schmidt<br>Silviculture of [illegible] Forest Ecosystem | FFASR | .0 | 13 | .0 | 14 | -1 | 13 | 1 | 14 |
| | FIDR | 2.0 | 195 | 1.0 | 263 | -11 | 252 | 11 | 263 |
| | FIA | .0 | 11 | .0 | 13 | 1 | 12 | 1 | 13 |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 3.0 | 365 | 3.0 | 303 | -13 | 290 | 13 | 303 |
| | WWRR | .0 | 11 | .0 | 11 | -0 | 10 | 0 | 11 |
| | WRFHR | .0 | 11 | .0 | 11 | -0 | 10 | 0 | 11 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | 12 | .0 | 14 | -1 | 13 | 1 | 14 |
| TOTAL BOZEMAN | | 5.0 | 617 | 4.0 | 628 | -27 | 601 | 27 | 628 |
| MISSOULA<br>INT 1705 Lyon<br>Management of Wildlife Habitats | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WWRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | 2.0 | 225 | 2.0 | 299 | -13 | 286 | 0 | |
| | FRR | .0 | | .0 | | 0 | | 13 | 299 |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | | | | | | | | 0 | |
| INT 1903 Lucas<br>Wilderness Management Research | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WWRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | 2.0 | 217 | 2.0 | 236 | -10 | 226 | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 10 | 236 |
| | | | | | | | | 0 | |
| INT 2103 Rothermel<br>Fire Behavior | FFASR | 8.0 | 1,044 | 7.0 | 1,113 | -48 | 1,065 | 48 | 1,113 |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WWRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | | | | | | | | 0 | |

| | | FY 85<br>ST | FY 85<br>$000 | FY 87 BASE<br>ST | FY 87 BASE<br>$000 | FY 87 BASE-<br>FY 86 DCA<br>$CHANGE | FY 86<br>DCA EST<br>$000 | FY 86 DCA-<br>FY 86 DCA<br>$CHANGE | 87 EST<br>$000 |
|---|---|---|---|---|---|---|---|---|---|
| | FFASR | 3.0 | 381 | 2.0 | 344 | -15 | 329 | 15 | 344 |
| INT 2107 George | FIDR | .0 | | .0 | | 0 | | 0 | |
| Fire Technology | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| MISSOULA | | | | | | | | | |
| INT 2107 George (continued) | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | 5.0 | 651 | 5.0 | 759 | -33 | 727 | 33 | 759 |
| INT 2106 Brown | FIDR | .0 | | .0 | | 0 | | 0 | |
| Fire Effects and Use in Interior West | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | 2.0 | 179 | .0 | | 0 | | 0 | |
| INT 2110 Kilgore | FIDR | .0 | | .0 | | 0 | | 0 | |
| Wilderness Fire Management | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| INT 3202 Berger | FIDR | .0 | | .0 | | 0 | | 0 | |
| Improving Wood Resource Utilization | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 3.0 | 615 | 3.0 | 544 | -23 | 521 | -27 | 494 |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| INT 4201 Schuster | FIDR | .0 | | .0 | | 0 | | 0 | |
| Eco. of Walt. Management on Forest Land | FIA | .0 | | 2.0 | | 0 | | 0 | |
| | RRRc | 3.0 | 209 | 2.0 | 208 | -9 | 199 | 9 | 208 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL MISSOULA | | 28.0 | 3,521 | 23.0 | 3,501 | -151 | 3,350 | 101 | 3,451 |
| GRAND TOTAL - MONTANA | | 33.0 | 4,139 | 27.0 | 4,129 | -178 | 3,952 | 128 | 4,079 |
| NEBRASKA | | | | | | | | | |
| LINCOLN | FFASR | .0 | | .0 | | 0 | | 0 | |
| RM 2251 Peterson | FIDR | 2.5 | 416 | 2.5 | 407 | -18 | 390 | 18 | 407 |
| Protection and Improvement of Trees | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 1.5 | 221 | 1.5 | 256 | -11 | 245 | 11 | 256 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL LINCOLN | | 4.0 | 637 | 4.0 | 664 | -29 | 635 | 29 | 664 |
| GRAND TOTAL - NEBRASKA | | 4.0 | 637 | 4.0 | 664 | -29 | 635 | 29 | 664 |
| NORTH CAROLINA | | | | | | | | | |
| ASHEVILLE | FFASR | .0 | | .0 | | 0 | | 0 | |
| SE 1102 Beck | FIDR | .0 | | .0 | | 0 | | 0 | |
| Culture of SO Appalachian Hardwoods | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 3.0 | 315 | 3.0 | 316 | -14 | 302 | 14 | 316 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| SE 3201 Schroeder | FIDR | .0 | | .0 | | 0 | | 0 | |
| Processing Hardwood Trees & Lumber | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 1.0 | 109 | .3 | 108 | -5 | 104 | 5 | 108 |

| | | FY 85 ST | FY 85 $000 | FY 87 BASE ST | FY 87 BASE $000 | FY 87 BASE-FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA-FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| SE 4101 McClure<br>Forest Resources Research in SE | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | 11.0 | 2,548 | .0 | 2,418 | -104 | 2,314 | -2 | 2,312 |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| TOTAL ASHEVILLE | 15.0 | 2,972 | 14.3 | 2,842 | -123 | 2,719 | 17 | 2,736 | |
| FRANKLIN<br>SE 1651 Swank<br>Responses to Management of SO Appalachia | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | .0 | | 0 | |
| | WMRR | 3.0 | 967 | 3.0 | 965 | -41 | 923 | 41 | 965 |
| | WRFMR | 1.0 | 99 | .3 | 47 | -2 | 45 | 2 | 47 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| TOTAL FRANKLIN | | 4.0 | 1,066 | 3.3 | 1,012 | -44 | 968 | 44 | 1,012 |
| RALEIGH/DURHAM<br>SE 1103 Jorgensen<br>Forest Soil Productivity in the SE | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 4.0 | 885 | 4.0 | 877 | -38 | 839 | 38 | 877 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| SE 1499 Namkoong<br>Population Genetics of Forest Trees | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 2.0 | 209 | 2.0 | 188 | -8 | 180 | 8 | 1880 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| TOTAL RALEIGH/DURHAM | | 6.0 | 1,096 | 6.0 | 1,065 | -46 | 1,019 | 46 | 1,065 |
| RESEARCH TRIANGLE<br>SE 1214 Dufteiguer<br>Pest Impact Assessment Methods | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 1.0 | 106 | 2.0 | 213 | -9 | 204 | 9 | 213 |
| | FIA | .0 | 204 | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| SE 4100 Bernard<br>Program Manager, Veg. Survey/ R&D Program | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | 273 | .0 | 2,154 | -93 | 2,061 | -1097 | 154 |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| SE 4251 Dutrow<br>Economics and Marketing of SE Forest | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | 4.0 | 351 | 3.5 | 349 | -15 | 334 | 15 | 349 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| TOTAL RESEARCH TRIANGLE | | 5.0 | 934 | 5.5 | 2,716 | -117 | 2,599 | -1,073 | 716 |
| GRAND TOTAL NORTH CAROLINA | | 30.0 | 6,067 | 29.1 | 7,633 | -328 | 7,307 | -1,770 | 5,529 |
| NEW HAMPSHIRE | | | | | | | | | |
| DURHAM<br>NE 1104 Tubbs<br>Ecology and Management of Northern Forests | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 4.0 | 349 | 5.0 | 378 | -25 | 353 | 25 | 378 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| NE 1652 Pierce<br>Impact of Forest Management on Nutrients | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | 1.0 | 296 | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 2.0 | 38 | 2.0 | 95 | -4 | 91 | 4 | 95 |
| | WMRR | 2.4 | 460 | 3.0 | 508 | -25 | 483 | 25 | 508 |
| | WRFMR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |

| | | FY 85<br>ST | FY 85<br>$000 | FY 87 BASE<br>ST | FY 87 BASE<br>$000 | FY 87 BASE-<br>FY 86 DCA<br>$CHANGE | FY 86<br>DCA EST<br>$000 | FY 86 DCA-<br>FY 86 BCA<br>$CHANGE | 87 EST<br>$000 |
|---|---|---|---|---|---|---|---|---|---|
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| NE 2299 Shortle | FIDR | 2.0 | 366 | 1.0 | 263 | -11 | 252 | 11 | 263 |
| Discoloration and Decay in Trees | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFNR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL DURHAM | | 11.4 | 1,748 | 13.0 | 1,325 | -66 | 1,459 | 66 | 1,323 |
| GRAND TOTAL NEW HAMPSHIRE | | 11.4 | 1,748 | 13.0 | 1,325 | -66 | 1,459 | 66 | 1,325 |
| NEW MEXICO | | | | | | | | | |
| ALBUQUERQUE | FFASR | .0 | | .0 | | 0 | | 0 | |
| RM 1651 Aldon | FIDR | .0 | | .0 | | 0 | | 0 | |
| Disturbed Site Reclamation in SW | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | 3.5 | 1573 | 3.5 | 559 | -24 | 535 | 24 | 559 |
| | WRFNR | .5 | 30 | .5 | 124 | -5 | 119 | 5 | 124 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL ALBUQUERQUE | | 4.0 | 604 | 4.0 | 683 | -29 | 654 | 29 | 683 |
| GRAND TOTAL NEW MEXICO | | 4.0 | 604 | 4.0 | 683 | -29 | 654 | 29 | 683 |
| NEVADA | | | | | | | | | |
| RENO | FFASR | .0 | | .0 | | 0 | | 0 | |
| INT 1753 Everett | FIDR | .0 | | .0 | | 0 | | 0 | |
| Ecology and Management of Pinyon-Juniper | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | 1.0 | 86 | .5 | 66 | -3 | 63 | 3 | 66 |
| | WRFNR | 1.0 | 61 | .5 | 42 | -2 | 40 | 2 | 42 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL RENO | | 2.0 | 147 | 1.0 | 108 | -5 | 104 | 5 | 108 |
| GRAND TOTAL NEVADA | | 2.0 | 147 | 1.0 | 108 | -5 | 104 | 5 | 108 |
| NEW YORK | | | | | | | | | |
| SYRACUSE | FFASR | .0 | | .0 | | 0 | | 0 | |
| NE 1952 Rowntree | FIDR | .0 | | .0 | | 0 | | 0 | |
| Planning for Management of Urban Ecosystems | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFNR | .0 | | .0 | | 0 | | 0 | |
| | FRR | 1.0 | 177 | 1.0 | 292 | -13 | 280 | 13 | 292 |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL SYRACUSE | | 1.0 | 177 | 1.0 | 292 | -13 | 280 | 13 | 292 |
| GRAND TOTAL NEW YORK | | 1.0 | 177 | 1.0 | 292 | -13 | 280 | 13 | 292 |
| OHIO | | | | | | | | | |
| DELAWARE | FFASR | .0 | | .0 | | 0 | | 0 | |
| NE 1351 Kingsley | FIDR | .0 | | .0 | | 0 | | 0 | |
| Management of Private Woodlands | FIA | .0 | 1.0 | 0 | | 0 | | 0 | |
| | RRRc | 1.0 | 101 | 1.0 | 115 | -5 | 110 | 5 | 115 |
| | TMR | 3.8 | 256 | 4.0 | 250 | -11 | 239 | 11 | 250 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFNR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 3.2 | 328 | 3.0 | 336 | -14 | 322 | 14 | 336 |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| NE 2200 Jensen | FIDR | 6.0 | 647 | 6.0 | 676 | -29 | 647 | -83 | 564 |
| Air Pollution Effects on Trees | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRRc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | 104 | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFNR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |

| | | FY 85 | | FY 87 BASE | | FY 87 BASE-FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA-FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| | | SY | $000 | SY | $000 | | | | |
| NE 2209 Gregory<br>Prevent Disease of High Value Trees | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 2.0 | 268 | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| NE 2213 Peacock<br>Insect Pests of Oak Regeneration | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 3.0 | 350 | 2.0 | 257 | -11 | 246 | 11 | 257 |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| DELAWARE<br>NE 2210 Chang<br>Application of Biotechnology | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .5 | 383 | 3.0 | 853 | -37 | 816 | 37 | 853 |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL DELAWARE | | 19.5 | 2,438 | 19.0 | 2,487 | -107 | 2,380 | -5 | 2,376 |
| GRAND TOTAL OHIO | | 19.5 | 2,438 | 19.0 | 2,487 | -107 | 2,380 | -5 | 2,376 |
| OREGON | | | | | | | | | |
| BEND<br>PNW 1203 Seidel<br>Culture of Forests of Oregon and Washington | FFASR | 2.5 | 267 | 2.5 | 265 | -11 | 254 | 11 | 265 |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 1.5 | 239 | 1.5 | 235 | -10 | 225 | 10 | 235 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL BEND | | 4.0 | 506 | 4.0 | 500 | -21 | 479 | 21 | 500 |
| CORVALLIS<br>PNW 1201 Owston<br>Reforestation Systems in Pacific | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 4.0 | 491 | 4.0 | 522 | -22 | 500 | 22 | 522 |
| | WMRR | .5 | 32 | .5 | 32 | -1 | 30 | 1 | 32 |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| PNW 1251 Greene (Acting)<br>Ecological Basis for Mgmt of Forest | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 2.5 | 261 | 2.5 | 286 | -12 | 273 | 12 | 286 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .5 | 39 | .5 | 38 | -2 | 36 | 2 | 38 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| PNW 1401 Copes<br>Genetic Improvement of NW Trees | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 4.0 | 551 | 4.0 | 570 | -25 | 546 | 25 | 570 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| CORVALLIS<br>PNW 1653 Harr<br>Management Impacts on Watershed Resource | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | 5.0 | 711 | 5.0 | 709 | -31 | 679 | 31 | 709 |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| PNW 1706 Meehan<br>Anadromous Fish Habitat | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | 2.0 | 248 | 2.0 | 247 | -11 | 237 | 11 | 247 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |

| | | FY 85 | | FY 87 BASE | | FY 87 BASE- FY 86 DCA | FY 86 DCA EST | FY 86 DCA- FY 86 DCA | 87 EST |
|---|---|---|---|---|---|---|---|---|---|
| | | ST | $000 | ST | $000 | $CHANGE | $000 | $CHANGE | $000 |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| PNW 2204 Daterman | FIDR | 5.0 | 724 | 5.0 | 723 | -31 | 692 | 31 | 723 |
| Management of Western Forest Insects | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| PNW 2210 Molina | FIDR | 6.0 | 686 | 6.0 | 718 | -31 | 687 | 31 | 718 |
| Root Fungi in Ecosystem Management | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| PNW 4203 Schallau | FIDR | .0 | | .0 | | 0 | | 0 | |
| Economics Impacts of Management Decision | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | 1.0 | 123 | 1.0 | 122 | -5 | 116 | 5 | 122 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL CORVALLIS | | 30.5 | 3,865 | 30.5 | 3,966 | -171 | 3,797 | 171 | 3,966 |
| LAGRANDE | FFASR | .0 | | .0 | | 0 | | 0 | |
| PNW 1701 Thomas | FIDR | .0 | | .0 | | 0 | | 0 | |
| Wildlife Habitat and Range | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | 5.0 | 917 | 5.0 | 906 | -39 | 867 | 39 | 906 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| PNW 2301 Wickman | FIDR | 8.0 | 895 | 8.0 | 867 | -37 | 830 | 37 | 867 |
| IPM for West. Forest Defoliators | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL LAGRANDE | | 13.0 | 1,812 | 13.0 | 1,772 | -76 | 1,696 | 76 | 1,772 |
| PORTLAND | FFASR | .0 | | .0 | | 0 | | 0 | |
| PNW 3101 Snellgrove | FIDR | .0 | | .0 | | 0 | | 0 | |
| Tbr. Qual/Product Yield of Softwood | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | 5.0 | 437 | 5.0 | 435 | -19 | 416 | 19 | 435 |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| PNW 3102 Howard | FIDR | .0 | | .0 | | 0 | | 0 | |
| Improving Biomass Utilization/Energy | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | 5.0 | 329 | 5.0 | 328 | -14 | 314 | 14 | 328 |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| PNW 4101 Puppino | FIDR | .0 | | .0 | | 0 | | 0 | |
| Forest Inventory and Analysis | FIA | 6.0 | 1,873 | .0 | 1,719 | -74 | 1,645 | 74 | 1,719 |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| PORTLAND | FFASR | .0 | | .0 | | 0 | | 0 | |
| PNW 4201 Fight | FIDR | .0 | | .0 | | 0 | | 0 | |
| Economics of Forest Land Management | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | 2.0 | 238 | 2.0 | 237 | -10 | 227 | 10 | 237 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| PNW 4202 Haynes | FIDR | .0 | | .0 | | 0 | | 0 | |
| Foreign Trade Analysis | FIA | .0 | 45 | 3.0 | 46 | -2 | 44 | 2 | 46 |
| Atmos. Dep./Veg. Survey | RREc | 3.0 | 282 | 3.0 | 392 | -17 | 375 | 17 | 392 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL PORTLAND | | 21.0 | 3,205 | 21.0 | 3,156 | -136 | 3,020 | 136 | 3,156 |
| GRAND TOTAL OREGON | | 68.5 | 9,388 | 68.5 | 9,393 | 404 | 8,991 | 404 | 9,393 |

| | | FY 85 | | FY 87 BASE | | FY 87 BASE- FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA- FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| | | SY | $000 | SY | $000 | | | | |
| **PENNSYLVANIA** | | | | | | | | | |
| **BROOMALL**<br>NE 2217 Bertel<br>Gypsy Moth Program | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 1.0 | 757 | .0 | 766 | -33 | 732 | 33 | 766 |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFWR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| NE 4101 Gansner, Acting<br>Forest Inventory and Analysis<br>Atmos. Dep./Veg. Survey | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | 5.0 | 2,179 | .0 | 1,986 | -85 | 1,901 | -25 | 1,875 |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFWR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| NE 4201 Gansner<br>Regional Forest Resources Economics | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | 2.0 | 208 | 2.0 | 211 | -9 | 202 | 9 | 211 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFWR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| **TOTAL BROOMALL** | | 8.0 | 3,144 | 4.0 | 2,962 | -127 | 2,835 | 17 | 2,851 |
| **UNIV. PARK**<br>NE 1651 Halverson<br>Amenities and Municipal Watersheds | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | 3.0 | 352 | 3.0 | 349 | -15 | 334 | -334 | 0 |
| | WRFWR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| **TOTAL UNIV. PARK** | | 3.0 | 352 | 3.0 | 349 | -15 | 334 | -334 | 0 |
| **WARREN**<br>NE 1152 Marquis<br>Ecology and Management of Cherry-Maple-Oak | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 6.0 | 622 | 5.0 | 607 | -26 | 581 | 26 | 607 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFWR | 1.0 | 60 | 1.0 | 66 | -3 | 63 | 3 | 66 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| **TOTAL WARREN** | | 7.0 | 682 | 6.0 | 673 | -29 | 644 | 29 | 673 |
| **GRAND TOTAL PENNSYLVANIA** | | 18.0 | 4,178 | 13.0 | 3,984 | -171 | 3,813 | -289 | 3,524 |
| **PUERTO RICO** | | | | | | | | | |
| **RIO PIEDRAS**<br>SO 1152 Lugo<br>Tropical American Forest Management | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 3.8 | 696 | 3.2 | 876 | -38 | 838 | 38 | 876 |
| | WMRR | .0 | | .5 | 236 | -10 | 226 | 10 | 236 |
| | WRFWR | .2 | 77 | 1.2 | 188 | -8 | 180 | 8 | 188 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| **TOTAL RIO PIEDRAS** | | 4.0 | 773 | 4.9 | 1,301 | -56 | 1,245 | 56 | 1,301 |
| **GRAND TOTAL PUERTO RICO** | | 4.0 | 773 | 4.9 | 1,301 | -56 | 1,245 | 56 | 1,301 |
| **SOUTH CAROLINA** | | | | | | | | | |
| **CHARLESTON**<br>SE 1116 Harms<br>Loblolly Pine Stand Management | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 3.3 | 455 | 4.0 | 456 | -20 | 437 | 20 | 456 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFWR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |
| **TOTAL CHARLESTON** | | 3.3 | 455 | 4.0 | 456 | -20 | 437 | 20 | 456 |
| **CLEMSON**<br>SE 1118 Phillips<br>Piedmont Hardwood Management | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 2.0 | 199 | 1.3 | 200 | -9 | 191 | 9 | 200 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFWR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPMR | .0 | | .0 | | 0 | | 0 | |

| | | FY 85 | | FY 87 BASE | | FY 87 BASE-FY 86 DCA | FY 86 DCA EST | FY 86 DCA-FY 86 DCA | 87 EST |
|---|---|---|---|---|---|---|---|---|---|
| | | SY | $000 | SY | $000 | $CHANGE | $000 | $CHANGE | $000 |
| SE 1792 Lennartz<br>Endangered and Threatened Wildlife | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFNR | 3.0 | 266 | 3.0 | 308 | -13 | 295 | 13 | 308 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPNR | .0 | | .0 | | 0 | | 0 | |
| TOTAL CLEMSON | | 5.0 | 465 | 4.3 | 508 | -22 | 486 | 22 | 508 |
| GRAND TOTAL | | 8.3 | 921 | 8.3 | 964 | -41 | 923 | 41 | 964 |
| SOUTH DAKOTA | | | | | | | | | |
| RAPID CITY<br>RM 1754 Bjugstad<br>Technology for Management of Livestock | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | 2.0 | 216 | 2.0 | 240 | -10 | 229 | 10 | 240 |
| | WRFNR | 3.0 | 265 | 3.0 | 258 | -11 | 247 | 11 | 258 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPNR | .0 | | .0 | | 0 | | 0 | |
| TOTAL RAPID CITY | | 5.0 | 481 | 5.0 | 497 | -21 | 476 | 21 | 497 |
| GRAND TOTAL SOUTH DAKOTA | | 5.0 | 481 | 5.0 | 497 | -21 | 476 | 21 | 497 |
| TENNESSEE | | | | | | | | | |
| SEWANEE<br>SO 1105 McGee<br>Integrated Resource Management | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 2.0 | 287 | 2.0 | 283 | -12 | 270 | -270 | 0 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFNR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPNR | .0 | | .0 | | 0 | | 0 | |
| TOTAL SEWANEE | | 2.0 | 287 | 2.0 | 283 | -12 | 270 | -270 | 0 |
| GRAND TOTAL TENNESSEE | | 2.0 | 287 | 2.0 | 283 | -12 | 270 | -270 | 0 |
| TEXAS | | | | | | | | | |
| NACOGDOCHES<br>SO 1751 Dickson<br>Integ. Management of Wildlife and Timber | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .8 | 39 | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFNR | 3.0 | 346 | 3.0 | 488 | -21 | 467 | 21 | 488 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPNR | .0 | | .0 | | 0 | | 0 | |
| TOTAL NACOGDOCHES | | 3.8 | 385 | 3.0 | 488 | -21 | 467 | 21 | 488 |
| GRAND TOTAL TEXAS | | 3.8 | 385 | 3.0 | 488 | -21 | 467 | 21 | 488 |
| UTAH | | | | | | | | | |
| LOGAN<br>INT 1503 Farmer<br>Mined-Land Reclamation in INT and RM | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | 5.0 | 544 | 4.0 | 633 | -27 | 605 | 27 | 633 |
| | WRFNR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPNR | .0 | | .0 | | 0 | | 0 | |
| TOTAL LOGAN | | 5.0 | 544 | 4.0 | 633 | -27 | 605 | 27 | 633 |
| OGDEN<br>INT 2201 Amman<br>Pop. Dynamics of Mtn. Pine Beetle | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 3.0 | 422 | 3.0 | 412 | -18 | 394 | 18412 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFNR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPNR | .0 | | .0 | | 0 | | 0 | |

| | | FY 85 SY | FY 85 $000 | FY 87 BASE SY | FY 87 BASE $000 | FY 87 BASE-FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA-FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| INT 4401 Van Hooser<br>Resources Evaluation | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | 4.0 | 1,662 | .0 | 1,736 | -75 | 1,659 | -3 | 1,656 |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WHRR | .0 | | .0 | | 0 | | 0 | |
| | WRFRR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL OGDEN | | 7.0 | 2,085 | 7.0 | 2,145 | -92 | 2,053 | 15 | 2,068 |
| PROVO<br>INT 1752 McArthur<br>Shrub Improvement Revegetation | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 1.0 | 71 | 1.0 | 73 | -3 | 69 | 3 | 73 |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WHRR | 2.0 | 250 | 2.0 | 187 | -8 | 179 | 8 | 187 |
| | WRFRR | 3.0 | 410 | 3.0 | 456 | -20 | 437 | 20 | 456 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL PROVO | | 6.0 | 731 | 6.0 | 716 | -31 | 685 | 31 | 716 |
| GRAND TOTAL UTAH | | 18.0 | 3,360 | 17.0 | 3,494 | -150 | 3,344 | 73 | 3,416 |
| VERMONT | | | | | | | | | |
| BURLINGTON<br>NE 1812 Gregory<br>The Role of Environmental Stress on Tree | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 5.0 | 967 | 4.0 | 975 | -42 | 933 | 42 | 975 |
| | WHRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| NE 1951 Schelberger<br>Indicators of Outdoor Rec. Trends | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | 1.0 | 70 | 1.0 | 75 | -3 | 72 | 3 | 75 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WHRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| NE 4207 Sendak<br>Maple Syrup Mktg. and Wood Energy Res. | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | 3.0 | 286 | 3.0 | 290 | -12 | 277 | 12 | 290 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WHRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL BURLINGTON | | 11.0 | 1,318 | 10.0 | 1,352 | -67 | 1,406 | 67 | 1,332 |
| GRAND TOTAL VERMONT | | 11.0 | 1,518 | 10.0 | 1,352 | -67 | 1,406 | 67 | 1,332 |
| WASHINGTON | | | | | | | | | |
| OLYMPIA<br>PNW 1207 DeBell<br>Bio. and Silviculture of Douglas-Fir | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 5.0 | 648 | 5.0 | 791 | -34 | 757 | 36 | 793 |
| | WHRR | .0 | | .0 | | 0 | | 0 | |
| | WRFRR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| PNW 1706 Ruggiero<br>Old Growth Forest Wildlife Habitats | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WHRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | 2.0 | 631 | 2.0 | 610 | -26 | 584 | 26 | 610 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL OLYMPIA | | 7.0 | 1,279 | 7.0 | 1,401 | -60 | 1,341 | 62 | 1,403 |
| SEATTLE<br>PNW 1800 Director<br>Skagit River Eagle Habitat | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WHRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | 37 | .0 | 72 | -3 | 68 | 3 | 72 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| PNW 1901 Clark<br>Public Use of Wildland | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | 2.0 | 178 | 2.0 | 177 | -8 | 170 | 8 | 177 |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| SEATTLE<br>PNW 2108 Sandberg<br>Fire and Air Resource Management | FFASR | 4.0 | 323 | 4.0 | 328 | -21 | 307 | 17 | 324 |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| PNW 3701 Mann<br>Logging Systems for Fragile Terrain | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 5.0 | 459 | 5.0 | 457 | -20 | 438 | 20 | 437 |
| TOTAL SEATTLE | | 11.0 | 996 | 11.0 | 1,026 | -44 | 982 | 47 | 1,030 |
| WENATCHEE<br>PNW 1601 Edgerton<br>Management of Upper Slope Mixed Conifers | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 1.6 | 204 | 1.6 | 240 | -10 | 230 | 10 | 240 |
| | WMRR | .7 | 106 | .7 | 106 | -5 | 101 | 5 | 106 |
| | WRFHR | .7 | 94 | .7 | 90 | -4 | 86 | 4 | 90 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL WENATCHEE | | 3.0 | 404 | 3.0 | 436 | -19 | 417 | 19 | 436 |
| GRAND TOTAL WASHINGTON | | 21.0 | 2,679 | 21.0 | 2,864 | -123 | 2,741 | 128 | 2,869 |
| WISCONSIN | | | | | | | | | |
| MADISON<br>FPL 2201 Burdsall<br>Center for Forest Mycology Research | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 4.0 | 483 | 4.0 | 486 | -21 | 465 | 21 | 486 |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| FPL 2202 Vasont (Vice Wolter)<br>Biodeterioration of Wood | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | 4.0 | 328 | 2.9 | 676 | -29 | 647 | -71 | 576 |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| FPL 3101 Miller<br>Center for Wood Anatomy Research | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 2.0 | 269 | 1.3 | 255 | -11 | 244 | -45 | 199 |
| FPL 3110 Maeglin<br>Qual. and Yield Improv. in Wood Processing | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 3.0 | 329 | 3.0 | 469 | -20 | 449 | -58 | 391 |
| MADISON<br>FPL 3204 Gillespie<br>Improved Adhesive Systems | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 5.0 | 756 | 5.0 | 775 | -33 | 742 | 33 | 775 |

| | | FY 85 | | FY 87 BASE | | FY 87 BASE-<br>FY 86 DCA<br>$CHANGE | FY 86<br>DCA EST<br>$000 | FY 86 DCA-<br>FY 86 DCA<br>$CHANGE | 87 EST<br>$000 |
|---|---|---|---|---|---|---|---|---|---|
| | | ST | $000 | ST | $000 | | | | |
| FPL 3112 DeGroot<br>Prot. of Wood Used in Adverse Environment | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 4.0 | 664 | 4.0 | 701 | -30 | 671 | 30 | 701 |
| FPL 3214 Simpson<br>Improv. in Drying Technology | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 4.1 | 383 | 4.3 | 641 | -28 | 613 | -50 | 563 |
| FPL 3216 Youngquist<br>Structural Composite Products | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 7.1 | 824 | 8.0 | 1,063 | -46 | 1,017 | -10 | 1,007 |
| FPL 3217 Feist<br>Wood Surface Chem & Property Enh. | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 4.0 | 506 | 4.0 | 539 | -23 | 516 | 23 | 539 |
| MADISON<br>FPL 3306 Setterholm<br>Criteria for Fiber Product Design | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 4.2 | 337 | 3.0 | 712 | -31 | 681 | 31 | 712 |
| FPL 3308 Minor<br>Pulping and Wood Polymer Chemistry | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 6.7 | 904 | 6.0 | 807 | -33 | 773 | 33 | 807 |
| FPL 3309 Wagner<br>Fiber Process and Product Research | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 3.0 | 834 | 3.0 | 894 | -38 | 856 | 894 | |
| FPL 3403 Conner<br>Improved Chemical Utilization of Wood | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 3.0 | 500 | 3.0 | 412 | -18 | 394 | 18 | 412 |
| FPL 3410 Kirk<br>Microbial And Enzyme Technology | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .01 | | .0 | | 0 | | 0 | |
| | FPHR | 4.7 | 672 | 3.3 | 777 | -33 | 743 | 33 | 777 |
| MADISON<br>FPL 3411 Bache<br>Energy from Wood | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 2.0 | 251 | 1.5 | 188 | -8 | 180 | 8 | 188 |
| FPL 3501 Bendtsen<br>Engineering Properties of Wood | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 4.7 | 1,012 | 4.0 | 633 | -27 | 606 | 27 | 633 |

| | | FY 85 SY | FY 85 $000 | FY 87 BASE SY | FY 87 BASE $000 | FY 87 BASE- FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA- FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| FPL 3505 Soltis<br>Engineering Design Criteria | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRSc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 6.3 | 806 | 3.3 | 721 | -31 | 690 | 31 | 721 |
| FPL 3506 Moody<br>Engineered Wood Structures | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRSc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 6.7 | 643 | 4.9 | 759 | -41 | 718 | -14 | 704 |
| FPL 3508 Vacant (Vice Laundrie)<br>Design Criteria for Corrugated Fiberboard | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRSc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 4.0 | 335 | 2.3 | 420 | -18 | 402 | -37 | 365 |
| MADISON<br>FPL 3509 LeVan<br>Fire Safety of Wood Products | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRSc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 3.0 | 364 | 2.6 | 352 | -15 | 337 | 15 | 352 |
| FPL 4151 Vacant (Vice Stone)<br>Timber & Wood Prod. Eng. & Util. Econ. | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | 3.5 | 363 | 1.0 | 424 | -27 | 397 | -29 | 368 |
| | RRSc | 2.0 | 143 | 1.0 | 144 | -6 | 138 | 6 | 144 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | 1.0 | 79 | -3 | 76 | -19 | 57 |
| TOTAL MADISON | | 95.0 | 12,834 | 82.9 | 13,127 | -373 | 12,754 | 17 | 12,771 |
| RHINELANDER<br>NC 1112 Hansen<br>Intens. Culture Plant for Biomass | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRSc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 3.0 | 371 | 2.0 | 442 | -19 | 423 | 19 | 442 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| NC 1132 Isebrands<br>Estab. and Early Growth of No. Forest | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRSc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 4.0 | 469 | 4.0 | 310 | -22 | 288 | 22 | 310 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | 11 | .0 | 12- | 1 | 11 | 1 | 12 |
| NC 1199 Larson<br>Physiology of Wood Formation | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRSc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 1.0 | 165 | .5 | 88 | -4 | 84 | 4 | 88 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| RHINELANDER<br>NC 1403 Haissig<br>Transformation of Forest Trees in Micros | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRSc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 1.9 | 280 | 2.3 | 461 | -20 | 441 | 20 | 461 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| NC 1404 Kang<br>Long Term Strategies & Techniques in For | FFASR | .0 | | .0 | | 0 | | 0 | |
| | FIDR | .0 | | .0 | | 0 | | 0 | |
| | FIA | .0 | | .0 | | 0 | | 0 | |
| | RRSc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | 1.0 | 116 | -5 | 111 | 5 | 116 |
| | WMRR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL RHINELANDER | | 9.9 | 1,296 | 9.8 | 1,627 | -70 | 1,557 | 70 | 1,627 |
| GRAND TOTAL WISCONSIN | | 104.9 | 14,130 | 92.7 | 14,754 | -443 | 14,311 | 87 | 14,398 |

WEST VIRGINIA

| | | FY 85 SY | FY 85 $000 | FY 87 BASE SY | FY 87 BASE $000 | FY 87 BASE- FY 86 DCA $CHANGE | FY 86 DCA EST $000 | FY 86 DCA- FY 86 DCA $CHANGE | 87 EST $000 |
|---|---|---|---|---|---|---|---|---|---|
| MORGANTOWN | FFASR | .0 | | .0 | | 0 | | 0 | |
| NE 1103 SMITH | FIDR | .0 | | .0 | | 0 | | 0 | |
| CULTURE OF CENTRAL APPALACHIAN HARDWOODS | FIA | .0 | | .0 | | 0 | | 0 | |
| FROM OLD RWU - 1103 AT PARSONS, WV | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 196 | 196 |
| | WSMR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| NE 1603 HELVEY | FIDR | .0 | | .0 | | 0 | | 0 | |
| PROTECTION IN CENTRAL APPAL. | FIA | .0 | | .0 | | 0 | | 0 | |
| FROM OLD RWU - 1602 AT PARSONS, WV | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WSMR | .0 | | .0 | | 0 | | 349 | 349 |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| NE 2216 Mason | FIDR | 1.5 | 770 | 3.0 | 949 | -41 | 908 | 41 | 949 |
| Silviculture Control of Gypsy Moth | FIA | 1.0 | 72 | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WSMR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| NE 3701 Peters | FIDR | .0 | | .0 | | 0 | | 0 | |
| Hardwood Timber Harvesting | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WSMR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 4.0 | 516 | 5.0 | 529 | -23 | 507 | 23 | 529 |
| TOTAL MORGANTOWN | | 6.5 | 1,358 | 8.0 | 1,478 | -64 | 1,415 | 608 | 2,023 |
| PARSONS | FFASR | .0 | | .0 | | 0 | | 0 | |
| NE 1103 Smith | FIDR | .0 | | .0 | | 0 | | 0 | |
| Culture of Central Appalachian Hardwoods | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | 4.0 | 322 | 317 | -14 | 303 | -303 | 0 | |
| | WSMR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| PARSONS | FFASR | .0 | | .0 | | 0 | | 0 | |
| NE 1602 Helvey | FIDR | .0 | | .0 | | 0 | | 0 | |
| Protection in Central Appal. | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WSMR | 2.0 | 343 | 2.0 | 335 | -14 | 321 | -321 | 0 |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | | .0 | | 0 | | 0 | |
| TOTAL PARSONS | | 6.0 | 666 | 6.0 | 652 | -28 | 624 | -624 | 0 |
| PRINCETON | FFASR | .0 | | .0 | | 0 | | 0 | |
| NE 3201 Gatchell | FIDR | .0 | | .0 | | 0 | | 0 | |
| Low-grade Hardwoods Utilization | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WSMR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | 4.0 | 428 | 3.0 | 424 | -18 | 406 | 18 | 424 |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| NE 4204 Luppold | FIDR | .0 | | .0 | | 0 | | 0 | |
| Increased Supply of Hardwood Material | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | 5.0 | 585 | 6.0 | 789 | -34 | 755 | 34 | 789 |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WSMR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | 36 | .0 | 72 | -3 | 69 | 3 | 72 |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| NE 4208 Dempsey | FIDR | .0 | | .0 | | 0 | | 0 | |
| Economic Opportunities in the NE | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | 3.0 | 240 | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WSMR | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPHR | .0 | 36 | .0 | | 0 | | 0 | |
| TOTAL PRINCETON | | 12.0 | 1,341 | 9.0 | 1,285 | -55 | 1,230 | 55 | 1,285 |
| GRAND TOTAL WEST VIRGINIA | | 24.5 | 3,363 | 23.0 | 3,415 | -147 | 3,269 | 39 | 3,308 |

WYOMING

| | | FY 85<br>SY | FY 85<br>$000 | FY 87 BASE<br>SY | FY 87 BASE<br>$000 | FY 87 BASE-<br>FY 86 DCA<br>$CHANGE | FY 86<br>DCA EST<br>$000 | FY 86 DCA-<br>FY 86 DCA<br>$CHANGE | 87 EST<br>$000 |
|---|---|---|---|---|---|---|---|---|---|
| LARAMIE | FFASR | .0 | | .0 | | 0 | | 0 | |
| RW 1603 Tabler | FIDR | .0 | | .0 | | 0 | | 0 | |
| Control of Wind-Transported Snow | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMER | 4.0 | 545 | 3.0 | 517 | -22 | 495 | -78 | 416 |
| | WRFHR | .0 | | .0 | | 0 | | 0 | |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| | FFASR | .0 | | .0 | | 0 | | 0 | |
| RW 1752 Raphael | FIDR | .0 | | .0 | | 0 | | 0 | |
| Effects of Management on Wildlife | FIA | .0 | | .0 | | 0 | | 0 | |
| | RREc | .0 | | .0 | | 0 | | 0 | |
| | TMR | .0 | | .0 | | 0 | | 0 | |
| | WMER | .0 | | .0 | | 0 | | 0 | |
| | WRFHR | 3.0 | 435 | 4.0 | 539 | -21 | 515 | 23 | 539 |
| | FRR | .0 | | .0 | | 0 | | 0 | |
| | FPUR | .0 | | .0 | | 0 | | 0 | |
| TOTAL LARAMIE | | 7.0 | 980 | 7.0 | 1,056 | -43 | 1,010 | -55 | 955 |
| GRAND TOTAL WYOMING | | 7.0 | 980 | 7.0 | 1,056 | -43 | 1,010 | -55 | 955 |

## STATE AND PRIVATE FORESTRY

34. Question: How much is budgeted for the development of State level Forest plans? Please provide a summary of the progress to date, state by state.

Answer: There are no funds budgeted in FY 1987 for the development of State level forest plans. In FY 1986, there was $850,000 to support this program. To date, 80 percent of the 52 States and territories have developed or completed plans. Of these, 67 percent are implementing their plans. Several State plans are excellent and are providing needed direction and priority for State forestry programs, as well as increased legislative support and funding. Other plans have provided States with a good start, but need to be improved, particularly in areas of economic analysis and program justification. The following table provides State status:

Status of State Forest Resources Plan

| State | Commercial Forested Acres (Thousands) | -----Plan Status----- | | Planning Steps |
|---|---|---|---|---|
| | | Completed | Expected Completion | |
| Alabama | 21,658 | 1983 | - | Implementation |
| Alaska | 119,145 | - | 1987 | Draft Plan |
| Arizona | 3,895 | NR | - | - |
| Arkansas | 16,600 | - | 1986 | Program Development |
| California | 32,500 | 1983 | - | Implementation |
| Colorado | 11,315 | 1983 | - | Implementation |
| Connecticut | 1,861 | - | 1986 | Program Development |
| Delaware | 390 | - | 1986 | Final Direction |
| Florida | 15,664 | 1982 | - | Implementation |
| Georgia | 23,734 | - | 1987 | Final Direction |
| Hawaii | 1,970 | NR | 1986 | Draft Plan |
| Idaho | 14,200 | Not Active | | - |
| Illinois | 3,800 | 1984 | - | Implementation |
| Indiana | 3,943 | 1981 | - | Implementation |
| Iowa | 1,561 | 1986 | - | Final Direction |
| Kansas | 1,350 | 1983 | - | Implementation |
| Kentucky | 12,500 | - | 1986 | Draft Plan |
| Louisiana | 14,000 | - | 1986 | Final Direction |
| Maine | 17,607 | - | 1986 | Final Direction |
| Maryland | 2,653 | - | 1986 | Final Direction |
| Massachusetts | 2,798 | 1985 | - | Final Direction |
| Michigan | 17,500 | 1982 | - | Implementation |
| Minnesota | 13,700 | 1983 | - | Implementation |
| Mississippi | 16,232 | 1983 | - | Implementation |
| Missouri | 12,876 | 1983 | - | Implementation |
| Montana | 23,189 | 1980 | - | Implementation |
| Nebraska | 1,193 | 1983 | - | Implementation |
| Nevada | 7,683 | 1983 | - | Implementation |
| New Hampshire | 4,985 | 1982 | - | Implementation |
| New Jersey | 1,928 | 1983 | - | Implementation |
| New Mexico | 6,951 | - | 1986 | Final Direction |
| New York | 18,270 | 1986 | - | Final Direction |
| North Carolina | 18,450 | 1985 | - | Implementation |
| North Dakota | 343 | 1983 | - | Implementation |
| Ohio | 6,900 | 1983 | - | Implementation |
| Oklahoma | 8,513 | 1983 | - | Implementation |
| Oregon | 29,431 | 1983 | - | Implementation |
| Pennsylvania | 15,624 | 1984 | - | Final Direction |
| Rhode Island | 404 | 1984 | - | Implementation |
| South Carolina | 12,502 | 1984 | - | Implementation |
| South Dakota | 1,800 | - | - | Draft Plan |
| Tennessee | 13,308 | 1985 | - | Final Draft |
| Texas | 12,512 | 1983 | - | Implementation |
| Utah | 15,553 | 1980 | - | Implementation |
| Vermont | 4,422 | 1985 | - | Draft Plan |

| State | Commercial Forested Acres (Thousands) | -----Plan Status----- Completed | Expected Completion | Planning Steps |
|---|---|---|---|---|
| Virginia | 16,417 | 1985 | - | Final Direction |
| Washington | 17,305 | 1985 | - | Final Direction |
| West Virginia | 11,484 | Not Active | | - |
| Wisconsin | 14,759 | 1983 | - | Implementation |
| Wyoming | 9,776 | 1983 | - | Implementation |
| Guam | 51 | - | - | Plan Development |
| Puerto Rico | 870 | 1984 | - | Implementation |

We hear that the Forest Service does not have responsibility for nonindustrial private forest land production or protection. However, we know that almost 60% of the nation's commercial forest land is in nonindustrial private ownership. The Forest Service can try to provide leadership with little or no incentive for landowners to follow, but it seems we have a responsibility in this area. Otherwise, to use a different example, all of our research programs that address any but NFS problems could be eliminated as well.

35. Question: How would you respond to the proposition that we will be unable to meet National timber demand in an economically efficient manner in the coming decades without providing assistance of various types to the nonindustrial private landowner?

Answer: It is reasonable clear that expenditures on technical assistance and government cost-sharing for forest management practices could increase the supply of timber from nonindustrial private lands in the future and will result in lower prices for wood products that would otherwise prevail at any given level of demand.

Most textbook treatments of "economic efficiency" deal with concepts such as markets and competition rather than the idea of subsidizing the production of a particular commodity in order to increase the supply and lower the price. Without government assistance to nonindustrial private landowners, national timber demand would still be met, but probably at a higher price. Since Federal assistance is related more to decisions by private landowners to reforest than it is to harvesting, long-term prices would be affected more than short-term prices.

This Administration has consistently supported the idea of using the market more and subsidies less to encourage investment in the production of commodities. Many economists believe that this is the most economically efficient approach. It is not irrational for an individual to prefer to retain current income rather than pay taxes to subsidize production of a commodity, which then might be offered at a lower price.

36. Question: You have a number of new top staff in place in the State and Private program area. Have they had an opportunity to review previously prepared Forest Service statements on targeting State and private grant money to key resource problems?

Answer: The new Deputy Chief for State and Private Forestry does have a background in State and private program areas. At the present time, he is in the process of gaining a more in-depth knowledge of focusing State and private financial assistance to key resource problems.

We would think that the prospects of continued funding support would be enhanced if the Forest Service could demonstrate a sharply focused program, rather than a program that is criticized as one that provides funds for State forestry organizations to be, perhaps, on problems other than national problems.

37. Question: Do you agree?

Answer: The Forest Service agrees with the concept of focusing Federal assistance to be more defined on issues of national or regional importance. The Northeastern Area, Broomall, PA, has been piloting this approach during FY 1985 and FY 1986 and made a presentation to S&PF Management personnel during the key S&PF coordination meeting held in Albuquerque, New Mexico, March 4-6, 1986. Advantages of focusing State and Private financial assistance and Federal technical assistance to key resource problems were identified as:

- Effective and efficient expenditures of Federal funds
- Multi-State cooperation
- Shared and extended resources
- Program continuity
- Tangible, results-oriented assistance on key issues

38. Question: Please provide for record a detailed distribution of the special projects funding ($1,250,000) on page 70.

Answer: The funding level and brief description for special projects are as follows:

Douglas-fir Tussock Moth Virus Production $215,000

FY 1986 was intended to be the last year for the production phase of Douglas-fir tussock moth (DFTM) virus by the Forest Service; however, increasing tussock moth populations, use of the prepared virus in 1985, and virus sales to Canada necessitated the continued production and processing of DFTM virus. The Forest Service developed and registered the product with the U.S. Environmental Protection Agency and, to date, remains the only source of this biological insecticide in spite of attempts to have private industry produce it. In FY 1985, one thousand acre equivalents of DFTM virus were used in Idaho; 20,000 acre equivalents were purchased by Canada for use in British Columbia, and populations in Idaho in FY 1986 will require treatment on about 20,000 to 40,000 acres. These uses of available product necessitate replenishment of supplies in FY 1987 for use in the future. The Forest Service intends to continue operating the DFTM virus production facility with minimum staff at a production capacity of about 40,000 acre equivalents per year. After FY 1987, phasedown will be considered annually.

Cooperative Maryland Gypsy Moth IPM Project $461,000

This project seeks to pilot test new and improved pest management tactics aimed at the goal of reducing gypsy moth levels. A 500,000-acre area, which involves four Maryland counties (Anne Arundel, Prince Georges, Charles, and Calvert), was selected. Population surveillance procedures were established during FY 1983 and various tactics were implemented in FYs 1984/85. Intervention techniques to be used during the ensuing fiscal years include enhancement of parasites and predators, introduction of natural virus and Bacillus thuringiensis, release of partially sterile male moths to lower reproductive potential, and the use of conventional insecticides where necessary to reduce infestations.

National Agricultural Pesticide Impact Assessment Program (NAPIAP) $314,000

NAPIAP is a cooperative U.S. Department of Agriculture program that was established in 1976 for the purpose of gathering biological and economic information necessary to evaluate the benefits and risks associated with ~~the~~ use of pesticides in response to proposed U.S. Environmental Protection Agency regulation actions. The program includes Forest Service, Animal and Plant Health Inspection Service, Cooperative State Research Service, Extension Service, Soil Conservation Service, Foreign Agriculture Service, Office of the General Counsel, State Experiment Stations and Extension Services, and State Departments of Agriculture participation. The program grew out of concern about the impacts to agriculture that could result from cancellation of pesticides as a result of real or perceived human health or environmental risks. Each participating agency provides specific expertise needed in the use-benefit evaluation process. Each agency also contributes available data on efficiency, exposure, growth yields, and environmental fate and impact of pesticides, and conducts additional studies needed to fill data gaps identified in the evaluation process. The program is a continuing part of all pesticide regulatory activities.

| | |
|---|---|
| Spruce Decline Impact Surveys | $100,000 |

Spruce decline has been noted in the United States since the 19th century. Recently, there has been concern that more of the forest resources are being affected; that the decline may be related to acid deposition. The objectives of this project are to determine the extent of the resources affected; to determine where the mortality is most significant; to determine the causes of the mortality; and to determine if this decline/mortality is simply a transient condition or if it is a problem of increasing potential impact.

| | |
|---|---|
| Risk Analyses and Worst Case Analyses | $138,000 |

Rulings of the Ninth Circuit Court Appeals and the U.S. District Court of Oregon indicated that the Forest Service must conduct independent analyses of risk before using pesticides have added to the continuing controversy over the use of pesticides in forest management. To effectively respond to these rulings and public questions about pesticides, and to comply with National Environmental Policy Act regulations, Forest Pest Management will need to continue to analyze pesticide information and to improve the transfer of technology about pesticide use and risk analysis.

| | |
|---|---|
| Project Monitoring and Evaluation | $ 22,000 |

39. Question: Please explain the 1987 outlay estimate on page 96. The 1987 outlays exceeds 1987 budget authority by 29%, with no apparent backlog of unoutlayed obligations carried into 1987.

Answer: The FY 1987 outlays includes an estimate of obligations to be outlayed in FY 1987 from the prior fiscal year.

The current outlay estimates indicate that approximately $7,850,000 of 1986 budget authority will be outlayed in FY 1987. The FY 1986 estimate includes approximately $7,900,000 in FY 1985 obligations to be outlayed in FY 1986.

When there is a small change in buget authority for two or more consecutive years, like FYs 1984-1986, the outlays give the appearance of being almost 100% of current year budget authority. The carryover portion from one year to the next is very close. When there is a great difference in budget authority, such as FY 1986 and FY 1987, the carryover from the prior fiscal year is more obvious.

40. Question: At the budget estimate level, please spread the 1987 FTE (433) by location and by function and compare these to the 1986 spread.

Answer: The table shown below provides the distribution of FTE's for FY 1986 and the anticipated distribution for FY 1987:

## FOREST PEST MANAGEMENT

| REGION/AREA | FY 1986 | FY 1987 |
|---|---|---|
| R-1 | 39 | 37 |
| R-2 | 20 | 19 |
| R-3 | 23 | 23 |
| R-4 | 31 | 31 |
| R-5 | 24 | 24 |
| R-6 | 47 | 46 |
| R-8 | 90 | 82 |
| R-10 | 16 | 16 |
| NA | 77 | 77 |
| WO | 28 | 28 |
| TOTAL | 395 | 383 |

## COOPERATIVE FIRE PROTECTION

| REGION/AREA | FY 1986 | FY 1987 |
|---|---|---|
| R-1 | 1 | 1 |
| R-2 | 1 | 1 |
| R-3 | 3 | 3 |
| R-4 | 3 | 3 |
| R-5 | 1 | 1 |
| R-6 | 1 | 1 |
| R-8 | 13 | 13 |
| R-10 | 1 | 1 |
| NA | 10 | 10 |
| WO | 16 | 16 |
| TOTAL | 50 | 50 |

## COOPERATIVE FORESTRY

| REGION/AREA | FY 1986 | FY 1987 |
|---|---|---|
| R-1 | 4 | 0 |
| R-2 | 3 | 0 |
| R-3 | 3 | 0 |
| R-4 | 4 | 0 |
| R-5 | 5 | 0 |
| R-6 | 6 | 0 |
| R-8 | 22 | 0 |
| R-10 | 2 | 0 |
| NA | 19 | 0 |
| WO | 29 | 0 |
| TOTAL | 97 | 0 |

## SPECIAL PROJECTS

| REGION/AREA | FY 1986 | FY 1987 |
|---|---|---|
| R-5 | 2 | 0 |
| NA | 8 | 0 |
| TOTAL | 10 | 0 |

## STATE & PRIVATE FORESTRY - SUMMARY

| REGION/AREA | FY 1986 | FY 1987 | DECREASE |
|---|---|---|---|
| R-1 | 44 | 38 | 6 |
| R-2 | 24 | 20 | 4 |
| R-3 | 29 | 26 | 3 |
| R-4 | 38 | 34 | 4 |
| R-5 | 32 | 25 | 7 |
| R-6 | 54 | 47 | 7 |
| R-8 | 125 | 95 | 30 |
| R-10 | 19 | 17 | 2 |
| NA | 114 | 87 | 27 |
| WO | 73 | 44 | 29 |
| TOTAL | 552 | 433 | 119 |

41. Question: What are additional funding needs above the President's budget recommendation by insect?

Answer: The FY 1987 President's budget provides a funding level for treating pests causing the most severe damage on Federal lands and cannot go untreated. State, local governments, and private landowners have the responsibility to protect their own lands from forest insects and diseases. Federal funds are used on State and private lands when Federal suppression projects include intermingled State and private lands as part of a biologically sound treatment unit. The current needs, based on funding requests from Forest Service Regions and State Foresters, is displayed below. Any increased funding should be offset by reductions in other items in the Forest Service budget request.

Insect and Disease Suppression
Federal and State & Private Lands

|  | 1987 President's Budget | Total Estimated Needs* | Difference From President's Budget |
|---|---|---|---|
| Federal Lands | $5,402,000 | $14,935,000 | +$ 9,533,000 |
| State & Private Lands | -- | 5,561,000 | + 5,561,000 |
| Total | $5,402,000 | $20,496,000 | +$15,094,000 |

| Priority | Pest | Estimated Additional Needs* |
|---|---|---|
| 1 | Southern Pine Beetle (Federal Lands) | $ 1,429,000 |
| | Southern Pine Beetle (S&P Lands) | 1,106,000 |
| 2 | Gypsy Moth (Federal Lands) | 988,000 |
| | Gypsy Moth (S&P Lands) | 3,694,000 |
| 3 | Western Spruce Budworm (Federal Lands) | 4,588,000 |
| | Western Spruce Budworm (S&P Lands) | 636,000 |
| 4 | Mountain Pine Beetle (Federal Lands) | 1,981,000 |
| | Mountain Pine Beetle (S&P Lands) | 125,000 |
| 5 | Other Bark Beetles (Federal Lands) | 415,000 |
| 6 | Other Insects & Diseases (Federal Lands) | 132,000 |
| | Total | $15,094,000 |

* These figures are only estimates. By FY 1987, one or more of the current pest outbreaks could collapse, while at the same time new ones could develop. An example of one that could develop is the Douglas-Fir Tussock Moth.

42. Question: Provide a dollar breakdown of the bullet items on page 76 of the FY 1987 Explanatory Notes.

Answer: The following is the requested dollar breakdown of Cooperative Fire Protection technical assistance items presented on page 76 of the FY 1987 Explanatory Notes:

| | FY 1987 President's Budget ($ in millions) |
|---|---|
| Efficiency Analysis............ | 1.0 |
| Training (NIMS)................ | .3 |
| Wildland Fire Coordination..... | 1.0 |
| New Technology................. | .3 |
| Prevention (Smokey)............ | .4 |
| Excess Property................ | .3 |
| FEMA........................... | .1 |
| Total, Technical Assistance.. | 3.4 |

## LAND MANAGEMENT PLANNING

43. Question: Is the Forest Service considering a "second-level" or additional level of planning? We've heard that the Forest Service may be so frustrated that it would focus on developing less than perfect plans and simply plan to fix the plans at a later date.

Answer: The Forest Service is not considering any additional level of planning other than what is already required in the National Forest Management Act (NFMA) regulations. NFMA planning requires a continuous flow of information and management direction among the three Forest Service administrative levels: national, regional, and forest.

Although there have been some frustrations associated with so complex a task as preparing the first generation of forest plans, overall we are pleased with the plans developed so far. The Forest Service has continued to stress quality in Forest planning, even if it meant "slipping deadlines." Although it is our desire to see forest plans issued as expeditiously as possible, we strongly believe that delays in planning are warranted if they will significantly improve the quality and defensibility of the final forest plans.

The National Forest planning process is a continuing process that responds to changes in demands made upon the supply of natural resources. The planning process is flexible and able to incorporate important and new information. The Forest Service, in cooperation with the public, will update and amend Forest plans as needed to ensure that adequate resources continue to be available.

According to your justification (page 338), we spent $29,047,000 in 1985 in the land management planning progress. In 1986, we will spend an estimated $24,886,000. In 1987, you are requesting $21,568,000 for the land management planning process.

44. Question: Do you have a detailed breakdown of those costs? How many FTE's are included?

Answer: There is no complete detailed breakdown of the actual cost of "planning" per se, nor the number of FTE's required to carry out strictly planning. Included in the planning and personnel costs are activities that would be conducted regardless of whether an NFMA Forest plan were developed.

When considering the cost of forest planning, it must be recognized that forest plans replace many earlier planning efforts (prior to passage of the NFMA). These costs include development of unit plans, timber management plans, transportation plans, recreation plans, wildlife plans, fire management plans, etc. Therefore, the net increase in planning is far less than these estimates.

The Forest Service predicted a decline in planning expenditures after initial "start up costs," and this is happening.

45. Question: Do those estimates include USDA's attorneys that may be involved in the appeals review process?

Answer: USDA attorneys are assigned to the Department's Office of the General Counsel and are reponsible for legal services for the Secretary's Office and all of the Department of Agriculture.

In FY 1985, the Forest Service, in anticipation of a heavy workload, requested additional attorney support in the preparation, review, and defense of Land Management Planning (LMP) plans and environmental impact statements. The Forest Service agreed to furnish personnel ceilings and funding for additional attorney support for FY's 1985, 1986, and 1987, and if necessary, to extend the agreement to cover additional fiscal years. In FY 1985, for the latter part of this year, we agreed to fund three additional attorneys for $57,000. In FY 1986, we added one more attorney for a total of $150,000. This additional funding was included in our budget requests.

46. Question: Have the current plans been challenged for NEPA compliance? In the General Counsel's opinion, would they be vulnerable if challenged?

Answer: The Forest plans and environmental impact statements (EIS's) have been challenged as to adequacy under NEPA in the administrative appeals. The Secretary and Chief's decisions have determined EIS's to be adequate for the broad programmatic purposes of the Land and Resource Management Plan (LRMP). The Chief has recognized that site-specific environmental review will be necessary at the project level.

The question of vulnerability of forest plans/EISs cannot be specifically answered. It depends upon whether the NEPA challenge is directed at the LRMP or a specific project, and whether or not a site-specific NEPA document has also been prepared. The risk of violating NEPA is reduced by the policy followed in the Chief's decision that site-specific environmental review will be at the project level.

47. Question: What role do forest plans play in your budgeting process?

Answer: The forest plan provides the basis for developing multi-year budget proposals which identify expenditures needed to implement the program. The Forest's proposed annual program budget is the basis for the requested funding. Upon approval of a final budget for the Forest, the annual program of work is finalized and carried out. The accomplishment of the annual program is the incremental implementation of the management direction of the forest plan.

48. Question: NFMA requires you to use "current plans." What have you used in Region 1 and Region 4 planning when most Forests do not have "new, approved" plans?

Answer: The NFMA regulations allow for a "transition period." Until a Forest plan is approved, the Forest continues to be managed under existing land use and resource plans. Existing plans may be amended or revised to include management requirements not inconsistent with RPA and the NFMA regulations.

This procedure will allow a National Forest to continue operating until a Forest plan is developed and approved.

## MINERALS MANAGEMENT

You are proposing a reduction of $1,097,000 (-4%) in the minerals program. At the budget level, the backlog of unprocessed minerals leases will increase from about 3,500 to about 7,000 (page 109).

49. Question: If that is so, why are we reducing program funding?

Answer: The inventory of cases unprocessed at the end of FY 1985 was 3,533 cases, which consists of all types of minerals cases, not just those related to processing mineral lease applications. The inventory of unprocessed cases is expected to be between 5,000 and 7,000 cases at the end of FY 1987, given the proposed budget level. As the table indicates in question 50, the inventory of unprocessed cases is expected to increase in FY 1986, from 3,533 to about 4,000 cases. We believe the 5,000 to 7,000 cases estimated for FY 1987 is reasonable, given the uncertainties associated with predicting the minerals workload, past workload levels, the effect of the accounting definition changes beginning in FY 1986, and the fact that some level of work-in-process will always exist. Also, about 1,200 cases in the inventory are likely to be cases that cannot be processed due to congressional direction in the appropriations acts. Recent changes in the world oil market suggest the estimated inventory will probably be closer to 5,000 cases than 7,000 cases due to exploration activity in the United States being lower than previously anticipated.

Although the total minerals program is reduced $1,097,000 from the FY 1986 DCA, the FY 1987 President's budget will accomplish projected work activities, provide resource coordination, and protect surface resources.

50. Question: Please prepare a start-of-year and end-of-year workload table for the record, covering the period 1980-1987.

Answer:

MINERALS WORKLOAD TABLE

| Cases | ACTUAL 1980 | ACTUAL 1981 | ACTUAL 1982 | ACTUAL 1983* | ACTUAL 1984* | ACTUAL 1985* | PLANNED** 1986 | PLANNED** 1987 |
|---|---|---|---|---|---|---|---|---|
| Start-of-Year | 5,740 | 7,301 | 5,201 | 7,200 | 4,400 | 2,805 | 3,533 | 4,000 |
| Completed | 21,508 | 25,061 | 29,405 | 30,335 | 27,310 | 28,488 | 22,966 | 23,480 |
| End-of-Year | 7,301 | 5,201 | 7,200 | 4,400 | 2,805 | 3,533 | 4,000 | 5,000-<br>7,000 |

*Figures for FY 1983 through 1985 include unprocessed cases affected by prohibitions in appropriations acts.

**Accounting definition changes in FY 1986 result in higher case counts than in the past for any given workload.

REAL ESTATE MANAGEMENT

On page 117, you state that the land exchange and adjustment program will emphasize acquisition of land in wilderness areas. Cost equalization will be paid from benefiting functions.

51. Question: Why is the exchange focus to be on wilderness inholding acquisitions? What is more cost effective, that focus or one focusing on reducing administrative costs?

Answer: The acquisition of wilderness inholdings is always a high priority for exchange efforts. The elimination of private inholdings within wilderness areas provides more than the usual gains from improving landownership patterns--reducing property boundary survey and maintenance costs, and reducing the threat of encroachment. Such acquisitions also enable the Forest Service to avoid the need to provide access into wilderness areas, and avoid issues relating to development and uses incompatible with wilderness management objectives.

Large acreage exchanges usually result in significant reductions in administrative costs and are generally more cost effective than most small-acre wilderness inholding acquisitions. The proposed exchange program emphasizes acquisition of both wilderness inholdings and those reducing administrative costs.

You are proposing to reduce the land classification, status, title claims, and planning program by $532,000 (-25%) in 1987 (page 119). While often overlooked, this activity is essential to resolving conflicting title claims on Federal land. It is understood that unresolved title claims are increasing at a rate of 500 per year.

52. Question: Why should we agree to reduce program funding in this activity? Isn't it true that accurate title protects our capital investments and prevents troublesome title disputes?

Answer: Although reduced, this program provides for completion of 733 title claim cases. We expect 500 new cases, so the backlog will not increase. The proposed program will allow mineral withdrawal reviews to remain on schedule. Land status record conversion to a computerized data base will be slowed, but records will be maintained.

Accurate title records do protect capital investments and help to prevent title disputes. Title records will be maintained at the requested program level and the accuracy of the records will remain intact.

53. Question: What is the status of the FS/BLM review of NFS lands withdrawn from mineral entry? Will it be complete by 1989, as FLPMA mandates?

Answer: At the present time, we are continuing to work on all phases of the FS/BLM review. A potential complication is the renewed injunction in the National Wildlife Federation v. Robert F. Burford, et.al. law suit. If the injunction prevents us from working on parts of the review process, some final recommendations may be delayed.

Section 204(g) and (i) of FLPMA requires that reviews be completed by 1991. We have agreed with the BLM to have completed our review and make our recommendations by 1989 to allow the BLM, the President, and the Congress ample time to complete their part of the review. Based on current progress, we expect to complete our review and recommendations by 1989.

## RECREATION RESIDENCE FEES

54. Question: What is the status of discussions concerning the recreation residence fee issue?

Answer: An agreement in principle on a comprehensive recreation residence fee proposal, providing both for equitable fees and administrative efficiencies, was reached during discussions with permittee representatives April 7-9, 1986.

55. Question: Back in November and December of 1985, a breakthrough and settlement was imminent. What happened?

Answer: At the December 1985 meeting with permittee representatives, agreement was reached on resolution of most of the permittee's concerns. Sufficient agreement was reached during the April discussions to proceed with the proposal, recognizing that a few issues will require a continuing effort to resolve completely.

The 1986 conference report states that we will not continue the exact same language in our bill next year.

56. Question: What can you say that is encouraging?

Answer: The Forest Service and permittee representatives are drafting the proposed policy and it will be published in the Federal Register for public comment in May. Implementation of the new policy and procedures will begin in January 1987, if, as we anticipate, the proposal is viewed favorably by those affected and by the general public.

57. Question: What would you do if we simply drop our language and urge you to resolve the issue? If we were to want to resolve the issue in the bill now, should we do that?

Answer: Assuming that recreation residence permittees and the public support the proposal, continuation of Amendment 100 language would be counterproductive to a final resolution of this matter.

58. Question: Would you provide for the record a current status report plus the major options being considered at the current time and their implications. Include in the decision memo the costs of various options, the pros and cons, supporters of various options, and other pertinent information.

Answer: As a result of the meetings that have been held with the permittees' representatives, the following issues have been resolved through agreement: (1) use of the 1978-1982 established fees as the base under a 20-year cycle, (2) adoption of a standard appraisal contract, (3) use of the 5 percent factor in determining annual fees, (4) specific guidelines for future use determinations, (5) Forest Service cooperation in working with panels established by permittee associations to assist individual permittees in resolving appeals reaching the Regional Forester, (6) identification and review of certain "problem area" base fees, (7) development of a new 20-year term permit that could be renewed every 10 years (midway in the term), (8) development of guidelines for conducting supplemental reviews of non-renewal decisions 2-3 years before termination and proposing a change to the appeal regulations that would exempt such reviews from the appeals process, (9) review of certain isolated cabin permits, and (10) agreement to continue Forest Service cooperation in working with permittees in exploring possible programs of compensation for non-renewal actions, such as a private insurance-type fund.

The items listed above have been agreed to between the Forest Service and the permittee representatives. Public comments will be considered following publication of the proposal in the Federal Register. Since proposals have been worked out with permittee representatives, we expect general support from the public on the proposals.

As the previous practice of adjusting fees on a 5-year cycle was a major expense of administering the recreation residence program, we anticipate that when the above mentioned issues are implemented the cost of administering the program will decrease by 15-20 percent. Under the proposed 20-year fee cycle, the Implicit Price Deflation (IPD) index would be used to make annual fee adjustments. Application of the IPD to the base fees would adjust base fees from $5.5 million in FY 1985 to $7.6 million in FY 1987. To ease the impact, the increase would be phased in over a 4-year period.

## LAND LINE LOCATION

59. Question: Why would you propose a 20% reduction in the land line location program (page 125)?

Answer: The reduction is proposed due to reduced land line needs for support of the timber sale program. The FY 1987 timber volume is 914 MMBF less than FY 1986 and includes 2.6 BBF of reoffered timber volume for which the land line work was previously completed.

60. Question: How long has it been since the Forest Service was conducting "set-back" sales, sales where the timber resource was not laid out up to the forest boundary (because we didn't know where the boundary was) but sales set-back from the property line? If we fund the land line location program at the 1987 budgeted level, how long would it be before we would be having those set-back sales again?

Answer: We have not used "set-backs" or buffer strips on timber sales since implementing the policy of not using this practice in 1978. We do not anticipate a need for "set-back" lines. The proposed timber program's land line needs are provided for at the proposed funding level.

61. Question: How many new trespass cases did the Forest Service have last year? Can't we save money by continuing a vigorous land line location program?

Answer: In recent years, there have been about 500 new unresolved cases per year. Title claim or encroachment cases are usually revealed by property boundary surveys. A vigorous land line location program, evidenced by a well defined boundary, can save money in the long run by assuring that future title claims and encroachments never happen. Surveys can also identify title claims and trespasses that, until the time of the survey, were unknown. This increases the need for status and title claim work to resolve cases that have taken place prior to a survey.

Your justification states, on page 124, that "In a limited number of cases", the Chief may approve land acquisition rather than land line location to clarify boundaries.

62. Question: Please provide for the record a list of cases where this has happened and a legal citation (and a copy of the legal text) authorizing this practice.

Answer: There have been no cases where land has been acquired using land line location funds. Acquisition authority for this action would be the "Department of Agriculture Organic Act of 1956", 7 U.S.C. 428a (a) (see attached). Funding authority is subject to congressional approval during the appropriation process.

[PUBLIC LAW 979—84TH CONGRESS]

[CHAPTER 950—2D SESSION]

[H. R. 11682]

**An Act to facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes.**

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as the "Department of Agriculture Organic Act of 1956".

SEC. 2. Section 11 of the Act of May 29, 1884, as added by the act of September 21, 1944 (21 U. S. C. 114a), and as amended, is hereby further amended to read as follows:

"SEC. 11. The Secretary of Agriculture, either independently or in cooperation with States or political subdivisions thereof, farmers' associations and similar organizations, and individuals, is authorized to control and eradicate tuberculosis and paratuberculosis of animals, avian tuberculosis, brucellosis of domestic animals, southern cattle ticks, hog cholera and related swine diseases, scabies in sheep and cattle, dourine in horses, scrapie and blue tongue in sheep, incipient or potentially serious minor outbreaks of diseases of animals, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinderpest, and contagious pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the payment of claims growing out of destruction of animals (including poultry), and of materials, affected by or exposed to any such disease, in accordance with such regulations as the Secretary may prescribe. As used in this section, the term 'State' includes the District of Columbia, Puerto Rico, and the Territories and possessions of the United States."

SEC. 3. Section 2 of the Act of February 28, 1947 (21 U. S. C. 114c) is hereby amended by inserting, immediately following the word "Act" where it first appears therein the following: "and section 11 of the Act of May 29, 1884, as added by the Act of September 21, 1944, insofar as said Act relates to diseases which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country".

SEC. 4. Funds available for carrying out the activities of the Department of Agriculture shall be available for expenses of advisory committees, including travel expenses in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946, as amended.

SEC. 5. The Department of Agriculture is authorized to furnish subsistence to employees without consideration as, or deduction from, the compensation of such employees where warranted by emergency condition connected with the work under such regulations as the Secretary of Agriculture may prescribe.

SEC. 6. (a) Section 14 of the Soil Conservation and Domestic Allotment Act (as added by the Act of February 29, 1936 (16 U. S. C. 590n)), is amended by adding at the end thereof the following:

"Payments to claimants under sections 7 to 17, inclusive, of this Act may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary of Agriculture may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code."

(b) Payments of grants under sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, may be conditioned upon the utilization of land with respect to which such payments or grants are to be made in conformity with farming practices which will encourage and provide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adapted to conditions in the several States, as determined and approved by the State committees appointed pursuant to section 8 (b) of such Act, for the respective States.

(c) Section 11 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590k), is amended to read as follows:

"Sec. 11. All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments, or to local public agencies, as the Secretary may request to cooperate or assist in carrying out this Act, and for payments to committees or associations of producers in any region or regions to cover the estimated administrative expenses to be incurred by any such committee or association in cooperating in carrying out this Act: *Provided*, That the Secretary may prescribe that all or part of such estimated expenses of any such committee or association may be deducted pro rata from the payments or grants made to the members thereof: *Provided further*, That the Secretary may make such payments in advance of determination of performance: *Provided further*, That the transfer of funds for services of technicians in formulating and carrying out agricultural conservation programs, from allotments for agricultural conservation payments within a State, shall be subject to such limitations and conditions as may be provided in appropriation or other law. Funds so transferred may be placed in a single account for each State."

Sec. 7. Section 392 (b) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 139 (b)), is amended by changing the period at the end of the first sentence to a comma and adding the words "unless otherwise provided by appropriation or other law." and by changing the period at the end of the second sentence to a comma and adding the words "unless otherwise provided by appropriation or other law.".

Sec. 8. Section 606 of title VI of the Agricultural Act of 1954 (7 U. S. C. 1766) is amended by adding at the end thereof the following: "Funds available for the purposes of this Act may be used for extending courtesies to representatives of foreign countries, when so provided in appropriation or other law."

Sec. 9. (a) Section 4 of the Act of July 22, 1937, as amended (7 U. S. C. 1004), is hereby amended by inserting before the period at the end thereof the following: ": *Provided further*, That there may be distributed to States and Territories such amounts as may be provided in applicable appropriations, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands".

(b) When authorized by appropriation or other law, funds of the Farmers' Home Administration available for administrative expenses may be placed in a single account.

SEC. 10. Section 516 (a) of the Federal Crop Insurance Act, as amended (7 U. S. C. 1516 (a)), is amended to read as follows:

"(a) There are hereby authorized to be appropriated such sums, not in excess of $12,000,000 for each fiscal year beginning after June 30, 1938, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such amounts and at such time or times as the Secretary of Agriculture may determine: *Provided*, That expenses in connection with the purchase, transportation, handling, or sale of the agricultural commodity and the direct cost of loss adjusters for crop inspections and loss adjustments may be considered by the Corporation as being nonadministrative or nonoperating expenses. The Corporation is authorized to use premium income for administrative and operating costs within limits prescribed in applicable appropriations."

SEC. 11. (a) The Department of Agriculture is authorized to acquire land, or interest therein, by purchase, exchange or otherwise, as may be necessary to carry out its authorized work: *Provided*, That no acquisition shall be made under this authority unless provision is made therefor in the applicable appropriation or other law.

(b) Appropriations for the Department of Agriculture which are available for the purchase of land may be expended for options to purchase land: *Provided*, That not to exceed $1 may be expended for each option to purchase any particular tract or tracts of land unless otherwise provided in appropriation or other law.

SEC. 12. Under such regulations as may be prescribed by the Secretary of Agriculture, funds available to the Department of Agriculture may be used for the payment of transportation expenses and per diem in lieu of subsistence expenses, in accordance with the Travel Expense Act of 1949, for travel between places of recruitment and duty, and while at places of duty, of persons appointed for temporary or seasonal services in inspection, classing or grading agricultural commodities.

SEC. 13. There is hereby established a working capital fund which shall be available without fiscal year limitation for expenses necessary, including the purchase or construction of buildings and improvements within the limitations thereon set forth in the appropriations for the Forest Service, for furnishing supply and equipment services in support of programs of the Forest Service. The Secretary of Agriculture is authorized to transfer to the fund, without reimbursement, and to capitalize in the fund at fair and reasonable values, such receivables, inventories, equipment, and other assets as he may determine, and assume the liabilities in connection with such assets, but such capitalization shall not exceed $25,000,000: *Provided*, That the fund shall be credited with advance payments in connection with firm orders and reimbursements from appropriations and funds of the Forest Service, other departmental and Federal agencies, and from other sources, as authorized by law, at rates approximately equal to the cost of furnishing the facilities and service.

Approved August 3, 1956.

## MAINTENANCE OF FACILITIES

63. Question: Is the facility maintenance program (page 126) fully funded? What would that level be and how is it calculated?

Answer: The facility maintenance program is fully funded according to the needs of the Forest Service within the funding constraints to meet deficit reduction targets. Any increases in funding would require an appropriation offset.

The facility maintenance program is not fully funded according to the Forest Service Facilities Management Administrative Study conducted in 1981-82. The study determined recurrent maintenance funds needs are approximately $30 million annually. This amount is derived from industry standards for similar privately-owned facilities where approximately 2½ percent of a facility's value is expected to be expanded annually for maintenance to protect investment and to replace certain items which have a limited functioning lifetime, like water heaters, air circulation fans, furnaces, etc.

64. Question: Is any maintenance funded from benefiting programs? Which ones?

Answer: Some specialized facilities, such as a materials testing building, are maintained from benefiting programs. The amount is relatively small. In addition, recent legislation (P.L. 98-473, 5 U.S.C. 5911) established a permanent fund which enables the Forest Service to use funds collected through employee payroll deductions for furnished quarters rental to operate and maintain employee quarters on the unit from which collected. The amount of this fund for FY 1987 is projected to be $5,400,000 (see the FY 1987 Budget Explanatory Notes, page 282).

65. Question: Is equipment replacement considered maintenance?

Answer: Replacement of equipment such as heating, air conditioning, ventilation units, and water or sanitary waste systems which have a limited functional lifetime is considered normal maintenance.

66. Question: Is any of the maintenance backlog considered a health and safety threat?

Answer: At the present time, there are no life threatening health and safety items in the backlog. Health and safety items such as potable water, sanitary, electrical, or heating and ventilating systems, etc., would receive first priority for available funds for repair or replacement.

67. Question: Please provide a detailed justification, by location, for the $14,735,000 budgeted.

Answer: The data is not available at the national level. Budget data for maintenance of facilities is collected on a programmatic basis from Forest Service Regions. Detailed facilities maintenance lists and priorities are keep at the individual Forest level. Oversight of the maintenance activity to determine the national level, appropriate use of funds, and technically correct maintenance is achieved through functional assistance and activity reviews carried out by Regions and national level specialists.

Accumulation of specific project data and justifications has been found to be time consuming, very expensive, and not useful in management or decisionmaking processes since oversight has been accomplished through other means.

## FOREST FIRE PROTECTION

You are requesting a forest fire protection program of $147,225,000 in 1987, a reduction of $11,015,000 (or -77%) from the 1987 base. Both presuppression and fuels management are reduced.

68. Question: How much would our 1986 supplemental for fire have been if we had funded the 1980-85 program at the economically efficient levels?

    Answer: Based on the national fire management analysis, the estimated FFF supplmental for FY 1986 would have been $104 million had the fire program been funded at the efficient budget level. This would have been a reduction of some $63 million in the FY 1986 FFF supplemental, and would have resulted in a net reduction of $35 million in total dollar costs for the fire season.

According to our analysis of your fire model table on page 130, you estimated fire costs at an average of $331.8 million per year from 1980-84, while actual costs were $252.8 million.

69. Question: Why is your fire model almost 25% higher when predicting losses over that 5-year period? If you include final 1985 fire year costs, what happened?

    Answer: The analysis model estimates of the cost and net resource value change provided in the FY 1987 Budget Explanatory Notes are for the purpose of displaying the probable consequences of program alternatives in a consistent manner. Since the actual fire weather conditions under which any proposed program will be implemented cannot be predicted--especially a year or more in advance--the analysis of program performance for each budget is based on the range of fire severity conditions probable over about a 10-year period. The FFF costs and resource losses shown are an expected annual average for that period of time, at that budget.

    The actual fire season severity varies from year to year. Therefore, the actual costs and resource losses experienced in any one year will naturally be higher or lower than the long-term average. During the period 1980-84, the fire severity in four of the five years was significantly below the 10-year average. Therefore, the experienced total costs and losses for this 5-year period should also be below the expected 10-year average estimated by the model.

    When the actual costs and losses for FY 1985 (which was a year above the normal severity) are added and a 6-year average calculated, the difference between the actual cost plus loss and the expected long-term average predicted by the model is 18%. This is in line with the amount that the short-term fire severity for 1980-85 is below the expected long-term average.

We agreed to your request to combine a number of budget line items in the lead table on page 127, with the understanding that the data would be included in the narrative.

70. Question: Please distribute your fire presuppression costs into the old budget line items.

    Answer:

| | |
|---|---|
| Prevention | $26,787,000 |
| Detection | 7,650,000 |
| Attack | 80,884,000 |
| Aviation | 26,609,000 |

71. Question: The fuels management activity is facing a reduction of $8,766,000, or -62%, from the 1987 base. Why reduce any program which directly reduces the potential for large wildfires?

Answer: Fuels management is a long-term program that will, over time, significantly reduce the intensity of wildfires, improving the ability of suppression forces to control them at a smaller size with less cost and resource damage. It is planned as part of a balanced protection program that also considers current requirements for prevention, detection, and attack.

Under a constrained budget such as the FY 1987 program, which responds to the national need to limit planned expenditures, priority must be given to maintaining an operational capability to deal effectively with the expected current fire workload over the entire National Forest System. Since fuel treatment investment expenditures in any given year will improve protection capability in only local areas, the fuels program must generally be given lower priority in the short-term under constrained funding. Therefore, the proposed program level for FY 1987 is limited to higher priority fuel treatment projects with a potential for more immediate payoff.

72. Question: Is this program ineffective? Is it ripe with waste, fraud, abuse, and mismanagement? What will this "savings" of $8,766,000 cost us in future resources losses?

Answer: The planned fuels management program is an essential component of the efficient fire protection program for the National Forest System identified in the national fire managment analysis. Proposed fuels investments are evaluated to ensure that they will be cost effective and, over time, reduce the cost of other protection activities and resource losses from fire.

The specific consequences of reducing the fuels program by $8,766,000 for a single year are difficult to assess, since it would depend upon the location and timing of specific future fires. In general, however, fuels investments reduce future costs plus losses by an amount exceeding the investment cost.

Question: Please provide for the record a statement explaining the implications of the OWCP program costs being charged to fire funds, beginning in 1987. Where has it been funded in prior years? How much was it 1980-1986?

Answer: Charging OWCP costs to the related function, such as fire, presents a truer picture of the cost of that activity. Prior to FY 1960, the Department of Labor funded this program. From FYs 1960-1981, each agency funded its own program as a budget line item in the appropriation. In FY 1982, each agency was directed to fund this program from its General Administration (GA) budget.

Total Forest Service OWCP costs paid from FYs 1980-1986 are approximately $73,200,000. Approximately 40% of these costs are estimated to be fire related.

## COOPERATIVE LAW

You are proposing a cooperative law program of only $2,450,000, a decrease of $4,509,000 (or -65%) from the 1987 base. You intend to provide $2,000,000 for marijuana work on NFS lands and $450,000 for a minimal program in remote areas.

74. Question: Is the marijuana program fully funded at this level? What are you spending in 1986?

Answer: The FY 1987 program is fully funded at $2,000,000 for Cannabis detection, investigation and eradication, and will provide for the removal of cultivation of marijuana from National Forest System lands. In FY 1986, we plan to spend $2,305,000.

## FOREST ROAD AND TRAIL MAINTENANCE

Road maintenance and trail maintenance are proposed for reductions in 1987. Roads will be reduced $15,377,000 (-24%) and trails $1,603,000 (-16%).

75. Question: Why the difference between the rate of reduction?

    Answer: The reductions for roads and trails are different because the two programs have different needs. Their funding levels are not interrelated and each program must stand on its' own merit.

76. Question: Doesn't an unmaintained, but open, road lead to significant resource damages?

    Answer: Eventually resource damage does occur, particularily where the road lies in steep topography or sensitive soils. Generally, the road will deteriorate over time. The effects are not usually evident for two or more years. When resource damage does begin to occur, we then have the choices of closing or repairing it.

If we read your justification properly (pages 139-140), you will close 102,000 miles of roads to any kind of access in 1987, up from 65,227 in 1985. You will also reduce the number of miles of roads maintained for passenger cars from 106,423 in 1985 to 67,000 in 1987.

77. Question: Are you closing more miles of roads in 1987 because of lack of road maintenance funding? Expand your answer to address:

    - Old or new roads being closed?
    - Public input?
    - Who makes closure decisions?
    - Appealable?
    - Location by Region/Forest.

    Answer: The mileage figures used in the justification statement on page 140 represent our estimate of how the transportation system should be managed and maintained as a result of the proposed FY 1987 President's budget. Reaching this level of management, however, will require some time to implement since a closure and enforcement program cannot be accomplished immediately. Instead, roads will deterioriate over time and we will close roads as they become unusable or begin to create resource damage. Actually, effects of the FY 1987 budget proposal will not be readily apparent for several years.

    Current information from our Regions indicates that the following situation is most likely to occur during FY 1987:

    - Over 18 percent (62,000 miles) of the system will be closed to all traffic.

    - Of the 82 percent (277,400 miles) of the system open to traffic, 34 percent (94,300 miles) will be useable with normal passenger cars and 66 percent (183,100 miles) of the system will be useable only with high clearance vehicles.

    - Of that portion open to traffic (277,400 miles), approximately 57 percent (159,000 miles) will be maintained adequately to meet existing traffic demands and the level of service required to meet the objectives of forest land management plans and 43 percent (118,400 miles) will be partially maintained.

    In FY 1987, both old and new roads will be closed. The decision to close these roads comes from Forest Supervisors, based on advice given to them from their staff and District Rangers. These decisions can be appealed by the public, who are notified on roads closures except in emergency situations.

We do not have information on the location of closures by Forest, however, the following Regional summaries reflect the situation as we expect it to occur in FY 1987:

| Regions | Closed To All Vehicles | | High Clearance Only | | Useable With Passenger Cars | |
|---|---|---|---|---|---|---|
| | Miles | % | Miles | % | Miles | % |
| R-1 | 6,849 | 17.8 | 20,027 | 51.9 | 11,698 | 30.3 |
| R-2 | 9,216 | 28.4 | 13,345 | 41.1 | 9,924 | 30.5 |
| R-3 | 1,515 | 3.2 | 33,910 | 72.4 | 11,425 | 24.4 |
| R-4 | 11,691 | 35.3 | 12,959 | 39.2 | 8,435 | 25.5 |
| R-5 | 6,720 | 15.5 | 21,508 | 49.6 | 15,163 | 34.9 |
| R-6 | 9,529 | 11.2 | 53,251 | 62.9 | 21,917 | 25.9 |
| R-8 | 4,339 | 15.0 | 16,370 | 56.7 | 8,160 | 28.3 |
| R-9 | 11,439 | 39.3 | 10,755 | 36.9 | 6,929 | 23.8 |
| R-10 | 698 | 30.1 | 929 | 40.1 | 691 | 29.8 |
| Total | 61,996 | 18.3 | 183,054 | 53.9 | 94,342 | 27.8 |

78. Question: Is this the kind of reduction that prompts irate reactions in the field?

Answer: Deteriorating road conditions from a lack of maintenance often lead to irate reactions from users or potential users. However, we are planning to keep more roads open than originally projected.

79. Question: How many hunters, fishermen, and recreation users of NFS lands use these roads and will continue to use them even if you close them?

Answer: There is really no way of telling the number of users of roads on NFS lands, since so much depends on the personal choice of the individual. Hopefully, no one will use a road for vehicle travel that is closed to vehicle use. Closed roads will remain useable for horse or foot travel, and some, although closed to normal four-wheeled vehicles, may remain useable with off-road vehicles (ORV's).

We do know that in FY 1985, 225 million visitor days of recreation use took place on NFS lands. While this is about 4 percent lower than use in FY 1981, we have no reason to attribute such a modest decline to the deterioration and closure of roads.

80. Question: Why should we agree to be a party to savings proposals of this type when we know that the long range impact of these road closures is a more angry general public?

Answer: As indicated in our answer to question 77, road closures will be staged over time to match the rate of deterioration. Therefore, public reaction may not be immediate.

When road closure programs are envisioned, we have found that a good public information program that explains the reasons for the closures, along with an explanation of recreation alternatives, usually results in a high degree of acceptance. Often an increased level of understanding will result in a constituancy for a more active road management program, and greatly reduce the potential for adverse reactions.

The same goes, perhaps different only in degree, for the trail maintenance program. The trail system is already being maintained at a custodial or less level. Trails that are not maintained often have to be abandoned or rehabilitated at enormous cost.

81. Question: What is the average cost per mile, by Forest Service region, for trail construction versus rehabilitation versus maintenance?

Answer: Our accounting system does not distinguish between construction and rehabilitation (reconstruction). Characteristically, they have similar cost. While we do not collect cost data by this breakdown, we estimate that from 85 to 90 percent of the work in the construction/reconstruction program is reconstruction.

Average costs per mile for trail construction/reconstruction by Region are:

| Region | | FY 1985 Cost/Mile ($1,000) |
|---|---|---|
| Northern Region | R-1 | $ 5.3 |
| Rocky Mountain Region | R-2 | $ 6.7 |
| Southwestern Region | R-3 | $13.9 |
| Intermountain Region | R-4 | $ 8.0 |
| Pacific Southwest Region | R-5 | $14.7 |
| Pacific Northwest Region | R-6 | $ 8.1 |
| Southern Region | R-8 | $ 9.0 |
| Eastern Region | R-9 | $ 5.9 |
| Alaska Region | R-10 | $13.7 |

Average costs per mile for trail maintenance by Region are:

| Region | | FY 1985 Cost/Mile |
|---|---|---|
| Northern Region | R-1 | $180 |
| Rocky Mountain Region | R-2 | $132 |
| Southwestern Region | R-3 | $129 |
| Intermountain Region | R-4 | $ 88 |
| Pacific Southwest Region | R-5 | $171 |
| Pacific Northwest Region | R-6 | $197 |
| Southern Region | R-8 | $175 |
| Eastern Region | R-9 | $110 |
| Alaska Region | R-10 | $505 |

## TIMBER SALES MANAGEMENT

82. Question: If the Committee assumes housing starts of between 1.9 and 2.0 million in 1987, what sales level should we recommend?

Answer: The FY 1987 President's budget assumed housing starts of 2.0 million and produces a timber offer level of 10.0 BBF. This sales offer level must be considered, along with volume under contract and the need to reduce outlays.

83. Question: Did 1985 harvest levels achieve the 10.9 BBF estimate? What are your harvest assumptions for 1986 and for 1987?

Answer: The FY 1985 harvest level was 10.941 BBF. The FY 1986 and FY 1987 harvest levels are projected to be 11.2 BBF.

84. Question: In terms of the volume under contract nationwide, is it going up or down?

Answer: Volume under contract is decreasing as a result of increased harvest activities and purchasers buying out sales under the Federal Timber Contract Payment Modification Act (FTCPMA). This volume is projected to continue to decrease, based on harvest and sell projections for FY 1986 and FY 1987. Previously, the volume under contract had increased each year for a decade. The following table describes this decline:

| | Proposed Sell | Estimated Harvest | Volume Under Contact |
|---|---|---|---|
| FY 1985 | --- | --- | 28.6 BBF |
| FY 1986 | 10.9 BBF** | 11.2 BBF | 28.3 BBF |
| FY 1987 | 10.0 BBF | 11.2 BBF | 27.1 BBF |

**Includes Deficit Control Act reductions.

85. Question: What about the volume under contract in Region 6? It seems to me that your high harvest levels will reduce those volumes substantially. How much lower can those uncut volumes go before there is a price effect?

Answer: The Region 6 volume under contract is constrained by the FTCPMA to no more than 12.3 BBF. This amount was selected in order to not allow the Region to accumulate a large volume under contract, as in the past. This constraint is to remain until currently extended contracts expire. This is estimated to be about 1990 or 1991.

Harvest volume for Region 6 during the past six years has averaged 3.7 BBF; and has only exceeded 4.0 BBF during the past two fiscal years. It is estimated that the sell and harvest levels during FY 1986 and FY 1987 will keep the volume under contract at or near the 12.3 BBF cap. Prices will probably not be affected by this cap alone and will be more likely influenced by market conditions, interest rates, and housing starts.

Region 1 and Region 4 have a combined 1986 sales level of 1.388 BBF. The 1987 budget proposes to reduce this to 1.272 BBF, or a reduction of 8%.

86. Question: What effect will this have on bid prices? On dependent communities? On timber receipts? On 25% fund payments?

Answer: We do not anticipate any effect on bid prices, dependent communities, timber receipts, or the 25% fund payment in FY 1987 or the short-term future. There is sufficient volume under contract. The above factors are not influenced in the short-term by the volume of timber offered for sale. If housing starts, harvest, and offer volumes remain at current levels for several years, the above factors would be affected.

87. Question: How does the sales level of 1.272 BBF compare to sawmill capacity in these regions?

Answer: Harvest levels during FY 1984 and FY 1985 averaged approximately 1.350 BBF. It is normally assumed that the mill capacity is always in excess of these volumes. A sales level of 1.272 BBF is not intended to accommodate the existing mill capacity, rather, it should assist in reducing the volume under contract to an amount which will reflect 2-3 years harvest. Further, the regions during the past 2 years have offered an average of 1.500 BBF of timber and only sold an average of 1.314 BBF. It is anticipated that the sales level proposed would be concentrated in the most economically efficient areas, so as to reduce the amount of no bid offerings.

We understand that the Forest Service intends to reoffer the 9.7 BBF returned under the Federal Timber Contract Payment Modification Act over a four year period. In 1986, the Forest Service will reoffer 3.25 BBF, of which 2.45 BBF is in Region 6. In 1987, the reoffer volume totals 2.6 BBF, of which 2.0 BBF is in Region 6.

88. Question: Is that the maximum reoffer volume that can be reoffered in Region 6? Nationally?

Answer: The 2.0 BBF of reoffer in Region 6 for FY 1987 is the maximum that can be reofferred given the annual 5.2 BBF timber sales cap and the amount of reoffered volume reworked for sales. The 2.6 BBF of reoffer nationally, we estimate at this time, could be increased to 3.0 BBF, but continuing such a front-end load of reoffer sales will cause dislocations later on.

89. Question: Will you meet your net merchantable saw timber target for Region 6 in 1986? Why not? That was an agreement we reached in conference. We used your cost estimates to develop our appropriations level and you need to work with us to see what we can do to meet this goal.

Answer: We have had numerous exchanges of information recently concerning net merchantable sawtimber. The conference report did give us a a target of 4.9 BBF of net merchantable sawtimber. The term is one that was introduced with the Federal Timber Contract Payment Modification Act. For purposes of tracking volume in order to comply with the cap provisions of the Act, Region 6 uses "sawtimber" as defined in the Timber Sale Accounting System. This does result in an understatement of the total material that could be considered net merchantable sawtimber. There are sales for timber sold and reported in terms other than "sawtimber" that, if a purchaser so desired, could be manufactured into boards. However, this data is consistent with the provisions of the Act.

We have always thought in terms of the total program. The Regions are assigned total timber program targets without product breakdown. The final mix of products "sold" from a National Forest or Region in a given year will depend on local timber conditions, land management objectives, product demands, and overall Regional direction. An outbreak of a serious insect or disease problem can cause a significant shift in product mix. It is also important to note that a Region's product mix for a given fiscal year program is fairly well set before the fiscal year begins.

The original FY 1986 Region 6 target of 5.2 BBF for all products (4.9 BBF sawtimber) was reduced by the Deficit Control Act to 4.9 BBF (4.7 BBF sawtimber). We cannot increase our percent of sawtimber high enough in FY 1986 to obtain 4.9 BBF. With the funding provided and the timber sales planned in FY 1986, we can produce 5.2 BBF (4.6 BBF sawtimber).

We will probably have to increase the volume sold this year, across all regions. It does not seem that we are keeping up with harvest levels or that we are tracking with housing start projections.

90. Question: Can we increase these volumes by increasing reofferings? By increasing salvage sale volumes? By increasing volume "off-the-shelf"?

Answer: The total volume of offer in FY 1987 can be increased, however, the cost increase should be considered against deficit targets. Reoffer volume could be increased from 2.6 BBF to 3.0 BBF. Salvage sale volume could be increased by about 200 MMBF. Shelf volume and new sales volume could also be increased in FY 1987. The sale of shelf volume, if not replaced, will limit our flexibility to meet future demand fluctuations, without some price increases.

91. Question: Are we keeping up with the resource protection support costs associated with the timber program? For example, on page 150, if we take the timber support costs as a percent of timber sales program costs, we see those percentages being reduced from 29% in 1985 to 28% in 1986 to 25% in 1987. Is there a problem here?

Answer: We do not feel there is a problem. FY 1986 was the first year that the offer volume included reoffer volume. Reoffer volume does not require the same level of support that is necessary the first time the volume is offered. This is especially true for land line location and the archeology portion of recreation support, since the survey of land line and the inventory of archeology sites was accomplished for the first offering.

We learned during the Energy and Natural Resources hearing that the OMB sale program is less than the Forest Service had requested.

92. Question: What was the level of the program you recommended?

Answer: The Forest Service recommended a timber sale program level of 11.0 BBF to the Secretary of Agriculture. The Department request to OMB was for 10.0 BBF. The Department also reduced Forest Service request for funding many other programs. Timber was not singled out.

93. Question: Would an increase of 0.7 BBF to 1 BBF result in a negative or positive accumulation to the Treasury?

Answer: It might result in a positive accumulation to the Treasury depending on the price received and favorable Congressional action on the net receipts proposal. However, any increase in returns to the Treasury that might result from an increase in timber sales would not occur in the same year of the outlay.

Under current receipts sharing legislation (gross receipts), most "profits" go to State and local governments; there is seldom a positive accumulation in the Federal Treasury.

94. Question: Provide a table of the timber offer volume, in increments of 100, from 9.0 BBF to 11.6 BBF and a table for the FY 1987 timber sale reoffer by volume.

Answer: Listed below is a timber offer table from 9.0 BBF to 11.6 BBF and a table for the FY 1987 timber sale reoffer by volume.

NATIONAL TOTAL
FY-1987 TIMBER SALE REOFFER BY VOLUME
(VOLUME IN BILLIONS OF BOARD FEET - DOLLARS IN MILLIONS)

(Total and subtotals do not add, due to rounding)

| TOTAL REOFFER OFFER | 2.2 | 2.3 | 2.4 | 2.5 | 2.6 [1] | 2.7 | 2.8 | 2.9 | 3.0 | 3.1 | 3.2 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **NFS TIMBER** | | | | | | | | | | | |
| Sale Prep. | 10.2 | 11.2 | 12.3 | 13.5 | 14.804 | 16.1 | 17.6 | 19.1 | 20.8 | 22.5 | 24.4 |
| **NFS Support** | | | | | | | | | | | |
| Minerals | 0.2 | 0.2 | 0.2 | 0.2 | 0.273 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 0.5 |
| Land Line Location | 0.3 | 0.3 | 0.4 | 0.4 | 0.411 | 0.4 | 0.5 | 0.5 | 0.6 | 0.6 | 0.7 |
| Fire | 0.6 | 0.7 | 0.7 | 0.7 | 0.797 | 0.9 | 0.9 | 1.0 | 1.1 | 1.2 | 1.3 |
| Recreation | 0.6 | 0.6 | 0.6 | 0.6 | 0.703 | 0.8 | 0.8 | 0.9 | 1.0 | 1.1 | 1.2 |
| Wildfire | 0.3 | 0.4 | 0.4 | 0.4 | 0.418 | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 | 0.7 |
| Range | 0.1 | 0.1 | 0.1 | 0.1 | 0.096 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 |
| Soil and Water | 0.8 | 0.8 | 0.9 | 0.9 | 0.997 | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 | 1.6 |
| Total Support | 3.0 | 3.1 | 3.2 | 3.4 | 3.695 | 4.0 | 4.4 | 4.8 | 5.2 | 5.6 | 6.1 |
| NFS TOTAL | 13.2 | 14.3 | 15.6 | 16.9 | 18.499 | 20.2 | 22.0 | 23.9 | 25.9 | 28.2 | 30.5 |
| **ROAD CONSTRUCTION** | | | | | | | | | | | |
| Forest Roads | 14.0 | 15.4 | 16.9 | 18.5 | 20.266 | 22.1 | 24.1 | 26.2 | 28.4 | 30.8 | 33.4 |
| (Purchaser Credit) | 8.9 | 9.8 | 10.6 | 11.8 | 12.969 | 14.1 | 15.4 | 16.7 | 18.2 | 19.7 | 21.4 |
| Purchaser Elect. | 1.7 | 1.9 | 2.0 | 2.2 | 2.451 | 2.7 | 2.9 | 3.2 | 3.4 | 3.7 | 4.0 |
| Total Road Const. | 15.7 | 17.2 | 18.9 | 20.8 | 22.717 | 24.8 | 27.0 | 29.3 | 31.9 | 34.6 | 37.5 |
| TOTAL | 28.8 | 31.6 | 34.5 | 37.6 | 41.216 | 44.9 | 48.9 | 53.2 | 57.8 | 62.7 | 68.0 |

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[1] FY 1987 PRESIDENTS' BUDGET IS 2.6 BBF IN REGIONS 1, 5, & 6. The Reoffer Volume in Regions 2, 3, 4, 8, & 9 is expected to be approximately 0.1 MMBF. The maximum volume that can be prepared in FY 1987 is projected to be 3.2 BBF, because of timing and environmental measures.

FY 1987 Timber Sale Costs by New Offer Volume (President's Budget)
(Volume in Billions of Board Feet - Dollars in Millions)

(Totals and subtotals do not add, due to rounding)

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| New Offer Vol. | BBF | 5.2 | 5.3 | 5.4 | 5.5 | 5.6 | 5.7 | 5.8 | 5.9 | 6.0 | 6.1 | 6.2 | 6.3 | 6.4 | 6.5 |
| Roadless Offer Vol. | BBF | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 |
| SSF & TTS Offer Vol. | BBF | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| Total Offer Vol. | BBF | 9.0 | 9.1 | 9.2 | 9.3 | 9.4 | 9.5 | 9.6 | 9.7 | 9.8 | 9.9 | 10.0 | 10.1 | 10.2 | 10.3 |
| NFS Timber | | | | | | | | | | | | | | | |
| Preparation 1/ | MM$ | 110.1 | 111.2 | 112.3 | 113.5 | 114.6 | 115.7 | 116.8 | 117.9 | 119.0 | 120.1 | 121.2 | 123.1 | 125.0 | 126.9 |
| Harvest (11.2 BBF in all levels) 2/ | MM$ | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 |
| Total TM | MM$ | 160.0 | 161.1 | 162.2 | 163.4 | 164.5 | 165.6 | 166.7 | 167.8 | 168.9 | 170.0 | 171.1 | 173.0 | 174.9 | 176.8 |
| Support To TM | MM$ | 34.2 | 34.7 | 35.3 | 35.9 | 36.4 | 37.0 | 37.6 | 38.1 | 38.7 | 39.2 | 39.8 | 40.2 | 40.6 | 41.1 |
| Total NFS | MM$ | 194.2 | 195.8 | 197.5 | 199.3 | 200.9 | 202.6 | 204.1 | 205.9 | 207.6 | 209.2 | 210.9 | 213.2 | 215.5 | 217.9 |
| Road Construction | | | | | | | | | | | | | | | |
| FRT | MM$ | 131.3 | 132.6 | 133.8 | 135.1 | 136.3 | 137.6 | 138.8 | 140.1 | 141.3 | 142.6 | 143.8 | 147.9 | 152.1 | 156.2 |
| (PCF) | MM$ | 139.3 | 140.8 | 142.3 | 143.8 | 145.3 | 146.8 | 148.3 | 149.8 | 151.3 | 152.8 | 154.3 | 155.9 | 157.4 | 159.0 |
| PEP | MM$ | 13.8 | 14.0 | 14.1 | 14.3 | 14.5 | 14.6 | 14.8 | 15.0 | 15.1 | 15.3 | 15.4 | 15.6 | 15.8 | 16.0 |
| Total Construction | MM$ | 145.2 | 146.6 | 148.0 | 149.4 | 150.8 | 152.2 | 153.6 | 155.0 | 156.4 | 157.8 | 159.3 | 163.5 | 167.8 | 172.1 |
| Special Accounts | | | | | | | | | | | | | | | |
| Brush Disposal | MM$ | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 48.1 | 48.3 | 48.5 |
| Timber Salvage Fund | MM$ | 20.3 | 20.4 | 20.4 | 20.5 | 20.5 | 20.5 | 20.6 | 20.6 | 20.6 | 20.7 | 20.7 | 21.2 | 21.7 | 22.2 |
| Tongass | MM$ | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 |
| Total Special | MM$ | 110.4 | 110.5 | 110.5 | 110.5 | 110.6 | 110.6 | 110.7 | 110.7 | 110.7 | 110.8 | 110.8 | 111.6 | 112.2 | 112.9 |
| Total | MM$ | 449.8 | 452.9 | 456.0 | 459.3 | 462.3 | 465.5 | 468.6 | 471.7 | 474.8 | 477.8 | 481.0 | 488.3 | 495.6 | 503.0 |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| New Offer Vol. | BBF | 6.6 | 6.7 | 6.8 | 6.9 | 7.0 | 7.1 | 7.2 | 7.3 | 7.4 | 7.5 | 7.6 | 7.7 | 7.8 |
| Roadless Offer Vol. | BBF | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 |
| SSF & TTS Offer Vol. | BBF | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| Total Offer Vol. | BBF | 10.4 | 10.5 | 10.6 | 10.7 | 10.8 | 10.9 | 11.0 | 11.1 | 11.2 | 11.3 | 11.4 | 11.5 | 11.6 |
| NFS Timber | | | | | | | | | | | | | | |
| Preparation 1/ | MM$ | 128.8 | 130.7 | 132.6 | 134.5 | 136.4 | 138.4 | 140.3 | 142.1 | 143.9 | 145.7 | 147.5 | 149.3 | 151.2 |
| Harvest (11.2 BBF in all levels) 2/ | MM$ | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 | 49.9 |
| Total TM | MM$ | 178.7 | 180.6 | 182.5 | 184.4 | 186.3 | 188.3 | 190.2 | 192.0 | 193.8 | 195.6 | 197.4 | 199.2 | 201.1 |
| Support To TM | MM$ | 41.5 | 41.9 | 42.3 | 42.8 | 43.2 | 43.6 | 44.0 | 45.8 | 47.6 | 49.4 | 51.1 | 52.9 | 54.7 |
| Total NFS | MM$ | 220.2 | 222.5 | 224.8 | 227.2 | 229.5 | 231.9 | 234.2 | 237.8 | 241.4 | 245.0 | 248.5 | 252.1 | 255.8 |
| Road Construction | | | | | | | | | | | | | | |
| FRT | MM$ | 160.3 | 164.4 | 168.6 | 172.7 | 176.8 | 180.9 | 185.0 | 191.8 | 198.6 | 205.4 | 212.2 | 218.9 | 225.7 |
| (PCF) | MM$ | 160.5 | 162.0 | 163.6 | 165.1 | 166.7 | 168.2 | 169.8 | 171.5 | 173.1 | 174.8 | 176.5 | 178.2 | 179.9 |
| PEP | MM$ | 16.1 | 16.3 | 16.5 | 16.7 | 16.8 | 17.0 | 17.2 | 17.4 | 17.7 | 17.9 | 18.1 | 18.4 | 18.6 |
| Total Construction | MM$ | 176.4 | 180.7 | 185.0 | 189.3 | 193.6 | 197.9 | 202.2 | 209.2 | 216.3 | 223.3 | 230.3 | 237.3 | 244.3 |
| Special Accounts | | | | | | | | | | | | | | |
| Brush Disposal | MM$ | 48.7 | 48.9 | 49.2 | 49.4 | 49.6 | 49.9 | 50.1 | 50.1 | 50.1 | 50.1 | 50.1 | 50.1 | 50.1 |
| Timber Salvage Fund | MM$ | 22.7 | 23.2 | 23.6 | 24.1 | 24.6 | 25.1 | 25.6 | 25.8 | 26.0 | 26.2 | 26.4 | 26.6 | 26.8 |
| Tongass | MM$ | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 | 42.3 |
| Total Special | MM$ | 113.6 | 114.3 | 115.1 | 115.8 | 116.5 | 117.2 | 118.0 | 118.2 | 118.3 | 118.5 | 118.7 | 118.9 | 119.1 |
| Total | MM$ | 510.3 | 517.6 | 525.0 | 532.4 | 539.6 | 547.0 | 554.4 | 565.2 | 576.0 | 586.8 | 597.5 | 608.4 | 619.3 |

1/ Timber sales preparation includes $9.3 million which is Timber Support to other programs. This is displayed on page 150 of the FY-1987 Explanatory Notes.

2/ Harvest Volume & cost are held constant in the table. Harvest Volume is not a factor of the budget but determined by the timber purchasers and economic assumptions. Harvest Administration has high fixed cost. If economic assumptions change the Harvest Volume, we recommend the cost vary by + or - $267,300 ($0.27 million) per 100 million board feet (100 MMBF = 0.1 BBF).

## REFORESTATION AND TIMBER STAND IMPROVEMENT

Your appropriations request for reforestation and TSI in 1987 is $57,948,000, down $41,472,000 (-42%) from 1986 appropriations. You have included $30,000,000 in your estimate that will be derived from the Reforestation Trust Fund, so you are requesting new budget authority socred against the Appropriations Committee of only $27,948,000.

In your table on page 159, we will add 900,000 acres of reforestation need in 1986 and 1987, but have funded only 670,000 acres worth of reforestation. This is in spite of our adding $10 million dollars last year.

95. Question: Is this request sufficient to keep up with the reforestation needs funded by appropriated funds?

Answer: The estimated reforestation from fire, insects, and plantation failures may not be kept up with at this level of funding. This is a discretionary investment program. The most important needs will be met. However, it is necessary to weigh the benefits of additional funding for this activity against the dislocation that would be caused by reducing other programs to pay for it. We think that the budget proposal represents an appropriate mix.

96. Question: What is the backlog in reforestation needs funded through the appropriations process?

Answer: The backlog as defined by the National Forest Management Act has been reforested. The reforestation needs reflects work created by timber sales, fires, insects and diseases, blowdown, and plantation failures to be accomplished over the next 3 years. The total need as of October 1, 1985 was 827,000 acres, or approximately 276,000 acres each year. This is projected to increase to 931,000 acres by October 1, 1986, or approximately 310,000 acres each year. In FY 1986, 138,688 acres of this work will be accomplished with appropriated funds, and 78,589 acres will be accomplished in FY 1987. K-V funds will accomplish 192,500 acres of this work in FY 1986 and 255,500 acres in FY 1987.

97. Question: Why is it growing? Is that consistent with the National Forest Management Act and other statutes?

Answer: The total current needs are growing because timber sale harvest levels have returned to more normal levels after several years of below normal harvest. In addition, the past two years have had relatively high fire occurrence and the outbreaks of insects, particularly the Southern Pine Beetle, has been very high. The National Forest Management Act does require that the Secretary submit to Congress "an estimate of the sums necessary to replant and otherwise treat all lands being cut over and maintain planned timber production on all other forested lands in the National Forest System, so as to prevent the development of a backlog of needed work larger than the needed work at the beginning of the fiscal year."

98. Question: By our calculation, at the end of 1987 you will have over three years worth of reforestation to do. Isn't that too much?

Answer: By the end of FY 1987, we will have slightly less than three years worth of reforestation to do. As it takes a period of time to do the necessary site preparation work after harvest and to plan the growing of seedlings, somewhere between 2-3 years worth of work is not unreasonable.

99. Question: Do any of these acres reflect the results of the reviews we have asked for concerning the adequacy of reforestation efforts in prior years? Isn't it a fact that we have redefined away a number of deforested acres by excluding them from the commercial timber land calculations?

Answer: The reforestation needs noted above do not reflect the adequacy of reforestation efforts in the past. These needs reflect new work that is the result of activities, such as timber sales and natural causes as noted earlier. The original backlog included acres for which intensive seedling surveys had not been conducted. Since 1976, these acres have been checked. Many areas were found to have reforested naturally; some have been included in wilderness areas; some are not economically feasible to reforest; and some need to utilize herbicide treatments for site preparation and, presently, herbicides are not available because of past court decisions. In some instances, the preferred alternative in the forest plan indicates present and future demand for wood products and does not warrant reforesting low productivity sites.

According to material provided to us at our request, "The biggest possible change is in Region 6 where increased investments in TSI above those of the late 70's and early 80's will probably not maintain the existing harvest level."

100. Question: How close are we to having an allowable cut effect in Region 6 at our current rates of reforestation and TSI?

Answer: The Allowable Sale Quantity (ASQ) is a long-term figure that relates to a decade in the Forest plan and to future decades. As such, all reforestation and TSI work does not have to be accomplished in one year; but, during a decade, the amount of work performed has to average out to ensure that the ASQ will be meet. For Region 6, we estimate that to meet the proposed ASQ approximately 116,000 acres of reforestation and 142,800 acres of TSI will need to be done each year. The FY 1987 program for Region 6 has approximately 106,000 acres of reforestation and 131,000 acres of TSI.

The same material goes on to say that "Nationally, a total reforestation program of about 400,000 acres (appropriated and Knutson-Vandenberg (K-V)) should maintain the present productivity, while a program of 400,000 to 450,000 acres of TSI (appropriated and K-V) will be needed to maintain the present allowable sale quantity." Your 1987 estimate for reforestation totals 334,000 acres and TSI totals 302,500.

101. Question: How do you reconcile those proposals with what we know now about the impact of those levels on productivity and on allowable sale quantities? Do you share our concerns?

Answer: The proposed program for Region 6 will come close to achieving the ASQ. The program in some of the other Regions will be below the level needed, on an average, to maintain the ASQ. The decreases are spread fairly evenly across the other regions.

If a continued lower level of reforestation and stand improvement program is maintained, then we would have to lower the allowable sale quantity. We would be concerned about this type of reduction.

102. Question: Doesn't the Secretary know and doesn't the OMB Director know what will happen at those funding levels?

Answer: The Administration is concerned about the reforestation and TSI program level, as they are concerned about the overall Forest Service budget. To help achieve the goal of eliminating the Federal deficit by 1991, the FY 1986 appropriation for the Forest Service has been sequestered as directed by the Balanced Budget and Emergency Deficit Control Act of 1985, and has been allocated across the board to the Forest Service. For much the same purpose, the FY 1987 budget for the Forest Service and other Department of Agriculture agencies is purposefully reduced. The Administration's budget and legislative proposals are intended to foster increased economic activity, while reducing the cost of the present Federal programs and the drain on the National budget.

Question: How much would it cost to have a 400,000 acre reforestation and a 400,000 or 450,000 acre TSI program?

Answer: A 400,000-acre level of reforestation (an increase of 66,000 acres) would cost an additional $23,800,000; a 400,000-acre level of TSI (an increase of 97,500 acres) would cost an additional $17,662,000; and a 450,000-acre level (an increase of 147,500 acres) would cost an additional $28,202,000. However, such an increase is inappropriate given the need to weigh any additional funding for this activity against the dislocation that would be cause by reducing other programs to pay for it. We think that the budget proposal represents an appropriate mix.

## BRUSH DISPOSAL AND K-V

104. Question: For the record, please provide a thorough 10-year analysis of the Brush Disposal and K-V accounts.

Answer: The following 10-year tables display the total unobligated balance, obligations, and collections of K-V and brush disposal funds:

### TEN YEAR HISTORY OF NATIONAL UNOBLIGATED K-V BALANCES

(dollars in millions)

| Fiscal Year | Unobligated Balance | Collection 1/ | Obligation |
|---|---|---|---|
| 1976 | $ 81 | $ 53.8 | $ 46.4 |
| 1976TQ | $ 89 | $ 17.1 | $ 9.2 |
| 1977 | $146 | $106.5 | $ 49.7 |
| 1978 | $143 | $ 61.1 | $ 64.2 |
| 1979 | $182 | $112.7 | $ 73.7 |
| 1980 | $214 | $116.6 | $ 80.6 |
| 1981 | $245 | $124.8 | $ 92.7 |
| 1982 | $240 | $ 84.0 | $ 77.8 |
| 1983 | $286 | $134.3 | $ 88.6 |
| 1984 | $365 | $186.0 | $106.4 |
| 1985 | $448 | $194.8 | $112.0 |

1/ The amount of collections are different from what is shown in the Explanatory Notes. The timber sale deposit fund estimate that is shown in the Explanatory Notes includes advance transfers in "monies received," rather than amounts based on actual funds credited to the Cooperative Work appropriation in Treasury.

TEN YEAR HISTORY OF
NATIONAL UNOBLIGATED BRUSH DISPOSAL BALANCES

| Fiscal Year | Unobligated Balance | Collection | Obligation |
|---|---|---|---|
| | (dollars in millions) | | |
| 1976 | $ 27 | $ 28.9 | $ 26.3 |
| 1976TQ | $ 29 | $ 10.6 | $ 8.4 |
| 1977 | $ 38 | $ 39.1 | $ 29.9 |
| 1978 | $ 45 | $ 39.7 | $ 32.5 |
| 1979 | $ 50 | $ 42.7 | $ 38.3 |
| 1980 | $ 48 | $ 42.4 | $ 43.7 |
| 1981 | $ 48 | $ 43.8 | $ 43.8 |
| 1982 | $ 39 | $ 29.6 | $ 38.3 |
| 1983 | $ 55 | $ 47.8 | $ 31.9 |
| 1984 | $ 78 | $ 60.3 | $ 37.4 |
| 1985 | $ 95 | $ 53.7 | $ 36.8 |

105. Question: How much of the receipts have been kept longer than 3 years?

Answer: The K-V receipts have been growing during the past several years due to inflation and the change in the K-V law, which allows K-V to be spent for other renewable resources within the sale area. Prior to this, there were approximately two years worth of work on deposit and there are now about four years. Funds are kept usually for 1-5 years.

106. Question: Do the funds lose their identify after time or can they be tracked over time?

Answer: K-V funds are pooled by the proclaimed National Forest. The work to be performed is included on an individual Sale Area Improvement (SAI) Plan and Forests update this plan during the life of the sale. In addition, each Forest is required to make an annual review of the total needs and the balances. Because of the large balances, we are requesting the Forests to make a more in-depth review at the end of this fiscal year.

107. Question: How much has been kept longer than 5 or 10 years?

Answer: K-V funds are not kept longer than 10 years. Only a small portion of the funds are kept for 5-10 years.

108. Question: Is there any way to determine if any of the contracts have been closed out?

Answer: K-V is collected from individual timber sales. Under the timber sale contract, the only obligation of the purchaser, as far as K-V is concerned, is to make the necessary deposits. When this is done, and other contractual obligations have been met, the timber sale contract is closed. Most of the K-V work is performed through separate procurement contracts. The Forest Service can determine the present status of any of the separate procurement contracts for K-V work.

109. Question: Why do we have to defer brush disposal funding each year?

Answer: Brush disposal funds are collected as timber is harvested. Some of the work cannot be performed immediately because of weather conditions, air quality concerns, and because the fuels have not "cured." Therefore, funds are collected in a given year for work that may be performed in succeeding fiscal years.

110. Question: How can we accelerate these programs?

Answer: Acceleration of these programs is dependent on many things. Reforestation takes 1-3 years lead time to make sure site preparation is complete and to ensure that seedlings that match a site are available. TSI programs can be accelerated a little easier, depending on the type of work involved. Where herbicides have to be used, it takes 1-2 years lead time to prepare the necessary environmental documents. Other TSI work generally can be accelerated in a year's time.

111. Question: Regarding the Reforestation Trust Fund monies, are those automatically available to the Secretary in 1987? Are they automatically merged with other NFS funds?

Answer: The Reforestation Trust Fund monies are automatically available to the Secretary of Agriculture in FY 1987. The FY 1986 Appropriations Act modified Section 303, subsection (d) of the Act of October 14, 1980 (16 U.S.C. 1606) to authorize the Secretary to obligate such sums as are available in the Trust Fund including any amounts not obligated in previous fiscal years.

These monies may be used by the Forest Service, if made available by the Secretary. These monies, when incorporated with the appropriated reforestation funds, provide the total funding for the reforestation program.

In 1987 these funds should not be merged with National Forest System funds, because of financial regulations. Rather, these funds should be used to fund actual reforestation expenditures from the Trust Fund.

112. Question: Please explain why the P&F schedule on page 300 does not agree with planned obligations on page 293.

Answer: In FY 1985, the actual obligations for Trust Funds are as stated in the Budget Appendix ($149,902,000). The "planned obligations" referenced in the FY 1987 Budget Explanatory Notes ($153,270,000) is the total program that was authorized in FY 1985. The FY 1986 and FY 1987 estimate of obligations are correct as displayed in the Explanatory Notes.

## LANGUAGE CHANGES

113. Question: Please provide a copy of the GAO report on NIH referred to on page 313 regarding Research funding, one year versus no-year.

Answer: The following is a copy of the Comptroller General's ruling cited in the Agency justification for the proposed language change in Forest Research:

GAO REPORT

March 18, 1985

The Honorable Lowell Weicker, Jr.
Chairman, Subcommittee on Labor, Health and
 Human Services, and Education
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

By letter of February 4, 1985, you raised various questions about the availability and use of funds appropriated to the National Institutes of Health (NIH) for bio-medical research grants in the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act for fiscal year 1985. Pub. L. No. 98-619, 98 Stat. 3305, 3313-14.

Specifically, you asked (1) whether the executive branch violated the language and spirit of the appropriations act by significantly deviating from a congressional directive setting a particular level of program activity for NIH new and competing research grants; (2) whether the executive branch would be usurping congressional prerogatives and violating congressional intent if it funds some 646 NIH grant projects for a 3-year period with funds that were appropriated only for the needs of fiscal year 1985; (3) for a description of the legislative history of a similar multi-year funding problem that was before the subcommittee in 1974; and (4) whether the described actions of the executive branch were in compliance with the Impoundment Control Act of 1974, Pub. L. No. 93-344, 88 Stat. 297, 332, codified at 2 U.S.C. §§ 681 _et seq._, and other pertinent statutes.

For the reasons given below, we find that the executive branch is _not legally bound_ to comply with the level of program activity _set forth in congressional committee reports_ for new and competing NIH grants. On the other hand, the executive branch plan to fund some 646 NIH research grants on a 3-year basis with fiscal year 1985 funds is unlawful, because in the absence of specific statutory authority, such actions violate 31 U.S.C. § 1502(a). While the Administration's action in obligating the funds on a 3-year basis is improper, we cannot say that it is at this time a violation of the Impoundment Control Act.

## I. Background

In your letter you stated that in arriving at the level of annual appropriations for the NIH, the Congress has traditionally based its decisions upon a complex set of factors which, taken together, represent the level of effort which it believes is necessary to fulfill the NIH mission. Among these factors are the number of new, competing renewal, and non-competing research grants applied for and funded, as well as the number of clinical trials, research centers, and training fellowships being supported by the agency. Also considered is the level of research effort being carried out through the agency's intramural program.

Consistent with these considerations, for fiscal year 1985 the House recommended an appropriation to NIH of close to $4.9 billion for bio-medical research grants, an increase of some $505.3 million over the Administration's budget estimates. The Committee stated that although the number of new and competing grants in recent years had stabilized at approximately 5,000, the award rates and paylines for these grants had declined and many high calibre investigators had not received funding. H.R. Rep. No. 911, 98th Cong., 2d Sess. 29-30 (1984). In this regard, the Committee was concerned that the President's budget request for fiscal year 1985 proposed significantly decreased appropriations which threatened the scope of the research being conducted. To change this situation, the House Committee recommended increased funding to support an estimated 6,200 new and competing research project grants. Id. at 30.

The Senate Committee on Appropriations expressed the same concerns and recommended increased funding for some 1,850 new and competing grants over the 5,000 level requested. S. Rep. No. 544, 94th Cong., 2d Sess. 50 (1984); 130 Cong. Rec. S.11688 (daily ed. Sept. 21, 1984) (statement of Senator Proxmire). Although the conference report did not mention the total number of grants intended for support, it recommended a compromise appropriation for NIH bio-medical research grants between the amounts proposed by the Senate and House, which was later enacted as proposed. H.R. Rep. No. 1132, 98th Cong., 2d Sess. 15-19 (1984).

Notwithstanding the number of grants which the Committees intended to support, the executive branch has decided to fund only 5,000 new and competing research project grants in fiscal year 1985. Moreover, to insure year-to-year stability in the number of grants NIH is able to support, and to lower fiscal commitments in fiscal years 1986 and 1987, the executive plans to fund some 646 of the 5,000 grants by committing enough fiscal year 1985 monies to take care of the grantees' estimated needs for 3 fiscal years.[1] In this manner, the entire fiscal year 1985 appropriation will be obligated. Department of Health and Human Services, III Justification of Appropriation Estimates for the Committee on Appropriations for Fiscal Year 1986, 1-3 (1985).

## II. Legal Discussion

### A. Conflict with Committee Directives on Number of Grants Awarded

The executive branch's plan to limit NIH to 5,000 new and competing bio-medical research grants in fiscal year 1985, does conflict with the Committee's intention to increase substantially the number of grants awarded. Nevertheless, if all the funds are properly obligated for purposes consistent with NIH's program authorization and appropriation statutes, we could not find that the law itself was violated. As explained in Section B, we do think that the multiyear funding proposed for a portion of the grants would be a violation of a statutory funding restriction but the fact that the total number of grants awarded does not correspond to the directives in the committee reports does not, by itself, amount to a circumvention of NIH's appropriation act.

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[1] For similar reasons, approximately 45 of 500 research centers to be funded in fiscal 1985 will be awarded 2 years of support from fiscal year 1985 funds.

It is a general principle of appropriation law that directions in committee reports, floor debates and hearings, or statements in agency budget justifications are not legally binding on an agency unless they are incorporated, either expressly or by reference, in an appropriation act itself or in some other statute. *See, e.g.*, 55 Comp. Gen. 307, 319, 325-26 (1975). The rule applies whether the legislative history shows mere acquiescence in an agency's budget request or is an affirmative expression of intent. As the lump sums appropriated to the various NIH institutes say nothing about the number of grants to be funded, there is no legal requirement that the committee directions be followed.

We add, however, that this does not mean that agencies are free to ignore the legislative history applicable to the use of appropriated funds, as was expressed by the Congress in the Committee reports described above. They do so at the peril of strained relations with the Congress. Thus, the executive branch has a practical, though not a legal, duty to abide by such expressions of intent. 55 Comp. Gen. at 319, 325.

## B. Multiyear Funding

As described in the background section, the executive branch intends to use fiscal year 1985 appropriations to NIH to fund some 646 research project grants for 3 fiscal years. The legislation authorizing research grants to the various NIH units does not provide for multiyear grant funding. 42 U.S.C. §§ 241, 243, 281 *et seq.*, 300b-1. Moreover, none of the fiscal year 1985 appropriations to the various NIH institutes supporting the grants provide for this type of funding. Pub. L. No. 98-619, 98 Stat. 3305, 3313-14. As a matter of fact, with very few exceptions (*e.g.*, Department of Defense major weapons acquisitions, or General Services Administration leasing and public utilities authorities), most agencies do not have specific multiyear authority.

Without express statutory authority, no agency may obligate an appropriation made for the needs of a limited period of time (usually, 1 year, as in the present case) for the needs of subsequent years. This is a paraphrase of a law that first appeared on the statute books in 1789, and is found in its codified form at 31 U.S.C. § 1502(a). GAO refers to the statute in its decisions as the "Bona Fide Need Rule." *See, e.g.*, 58 Comp. Gen. 471, 473 (1979); 33 Comp. Gen. 57, 61 (1953).

From what can be gleaned from the sparse legislative history, the intent of the Congress when this law was first passed was to instill a sense of fiscal responsibility on the part of its newly formed departments and agencies. It wanted the balance of any appropriation not really needed for that year's operations to be returned to the Treasury so that it could be reappropriated the following year in accordance with the Congress' current priorities. Of even more importance to the Congress today, a limited period of availability means that an agency has to come back to its oversight or authorizing committees and then to its appropriations committees to justify continuing the program or to debate about how much is needed to carry on the program at the same or a different level.

These same concerns were raised by your subcommittee in 1974. S. Rep. No. 814, 93rd Cong., 2d Sess., 65-66. At that time, your subcommittee complained that unauthorized multiyear funding inhibited the Congress' ability to increase (or decrease) the levels of funding for specific programs because the agency need not return each year to justify the need--or lack thereof--of continued support for grants made in the previous year.

The report stated that traditionally the Congress had rejected this concept and had funded grants for only 1 year at a time. It found that multiyear funding rendered the Congress powerless to increase the level of funding for any given priority program. Whatever the Congress added to the budget, a department could use to cover the following or future years' costs. The report reaffirmed the Congress' position that all grant awards be made on a 12-month basis unless specifically provided to the contrary by the Congress. Any attempt to provide multiyear grant funding or forward funding would be in direct opposition to the will of the Congress, and could violate the court rulings mandating the release of previously impounded funds. Id.

Similar concerns were expressed in floor debate. 120 Cong. Rec. 17659-62 (1974) (comments of Senators Magnuson and Bayh); Id. at 13276-78 (comments of Senator Magnuson). The debate also indicated that the problem had been resolved. Thus, Senator Magnuson stated that the Secretary of Health, Education and Welfare agreed that all multiyear funding would cease as of May 3, 1974--the date the Senate report was issued. Id. at 17659-60. Correspondence between Senator Magnuson and HEW Secretary Weinberger and OMB Director Ash also reflected the Committee's concerns with multiyear funding and the Secretary's decision to limit multiyear grants. We enclose copies of some of that correspondence.

As discussed in your letter, many of the same questions your subcommittee raised in 1974 are still applicable today. It is certainly true that to the extent that the Administration commits its fiscal year 1985 funds for the second and third years' needs of 646 grantees, these funds are unavailable for increasing the number of new and competing grants awarded, or for raising the award rates and paylines for high calibre investigators. It appears, then, that the problems which the Bona Fide Need Rule was designed to avoid are very much in evidence in the present situation.

### Administration's arguments [2]

The official reasons offered for the reduction in the total number of grants for research studies and research centers, and for the multiyear funding of some of these projects, are found in the President's budget justification for 1986. Department of Health and Human Services, III Justification of Appropriations Estimates for the Committee on Appropriations for Fiscal Year 1986, 1-3 (1985). There is no mention in that document of the appropriation restriction in 31 U.S.C. § 1502(a). The proposed actions were supported entirely on budgetary grounds; that is, to ensure year-to-year "stability" in the number of grants NIH is able to support, and to lower its financial commitments in fiscal years 1986 and 1987.

Informally, staff members of the HHS Office of General Counsel and of OMB have indicated that they are well aware of the restrictions of the Bona Fide Need Rule (31 U.S.C. § 1502(a)), but thought that it didn't foreclose multiyear grants in this situation. They relied, they said, on discussions of the Rule in GAO's published manual, Principles of Federal Appropriations Law, at pages 4-9, 4-10, 13-16, and 13-17 (1982). Applying these principles, both HHS and OMB view each of the 646 grants as single research projects and contend that they are non-severable on the ground that there is a present need to have the research performed. Funds may thus be obligated in fiscal year 1985 to meet that need, even though performance may not be completed for 2 or more years.

We think that the principles discussed in our manual were applied inappropriately. Determination of what constitutes a bona fide need of a particular fiscal year depends largely on the facts and circumstances of each case. 37 Comp. Gen. 155, 159 (1957). Over the years we have held that where continuous and recurring services are needed on a year-to-year basis, contracts for the services are severable and must be charged to the fiscal year in which they are rendered. 33 Comp. Gen. 90, 92 (1953); 60 Comp. Gen. 219, 221-22 (1981). Thus, we have decided that contracts entered into with fiscal year appropriations purporting to bind or obligate the Government beyond the fiscal year involved must be construed as binding the Government only to the end of the fiscal year unless otherwise authorized by law. 48 Comp. Gen. 497, 499-500 (1969).

The legislation providing the principal basis for the NIH research grant program is very broad, anticipating extensive, continuous work "relating to the causes, diagnosis, treatment, control, and prevention of physical and mental diseases and impairments of man * * *." 42 U.S.C. § 241. It is evident that the legislation reflects a Government policy to stimulate particular kinds of research that will be needed year-after-year for substantial periods of time, if not indefinitely. The House report accompanying the fiscal year 1985 appropriations act suggests that the research grant program has been ongoing for some 35 years. H.R. Rep. No. 911, 98th Cong., 2d Sess. 29 (1984). Thus, to the extent that the NIH grant program is continuous and involves projects that contemplate a number of years' work, they resemble continuous service or multiyear contracts and the same bona fide need principle would apply to them.

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[2] As you requested expedited consideration of this matter, we did not have time to seek formally the views of HHS or the Office of Management and Budget (OMB). (We understand that OMB orally directed the manner of funding.)

Although we have not been provided with information on the usual duration of NIH grants, it appears that some may take several years or longer to complete. For purposes of the bona fide need rule, we think the salient point is that the need for the grant work continues from year-to-year. In this regard, although both OMB and HHS suggest that the 646 grants are single projects, and thus for funding purposes are not severable, they also acknowledge that any number of these grants could be renewed in fiscal 1988. We also point out that neither the HHS budget justification nor the informal comments of HHS and OMB suggest that the 3-year funding of the 646 grants is due to the research work being needed in fiscal 1985. The reasons given for this manner of funding are purely budgetary: to avoid significant fluctuations in the number of grants NIH is able to support and having to fund the same grants in fiscal 1986 and 1987.

At the same time, we recognize that there are fundamental differences between a contract for materials or services and a research grant. The severability concept is not altogether analogous to the NIH research grants, which resemble subsidies rather than contracts for services. In this respect, the grants are more like level-of-effort contracts. Nevertheless, consistent with the NIH legislation authorizing support for important investigations that may some day enrich our store of knowledge about "the causes, diagnosis, treatment, control, and prevention of physical and mental diseases and impairments of man * * *." 42 U.S.C. § 241, more often than not the grants do not contemplate a required outcome or product. 3/ Thus, it cannot be said that there is a need for an end product in any particular fiscal year. As there is no such need, the bona fide need rule is violated when funds are obligated for more than 1 year for these grants.

We think the Senate report discussed above and the NIH practice of funding its research grants from year-to-year supports the view that decisions about funding the grants are to be made on an annual basis. Accordingly, until the

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3/ There are, of course, research and development grants and other targeted, applied research grants in which a specific line of inquiry is requested to meet the Government's own needs which resemble Government contracts more closely. The GAO has recommended legislation to permit multiyear funding of this type of grant in appropriate circumstances in testimony before the House Committee on Science and Technology (April 5, 1979 and June 4, 1980), and in a report to the Congress, "Multiyear Authorizations for Research and Development," B-202294, PAD-81-61, April 21, 1981.

Congress acts to renew its appropriations for a subsequent year, NIH has no authority to make a commitment to a researcher or research project for such subsequent year.

### C. Impoundment

An impoundment is an action or inaction by an officer or employee of the United States that precludes the obligation or expenditure of budget authority provided by the Congress. The Impoundment Control Act of 1974, Pub. L. No. 93-344, 88 Stat. 297, 332, codified at 2 U.S.C. §§ 681 and following, was intended to tighten congressional control over impoundments, and to establish procedures that would provide a means for the Congress to pass upon executive branch proposals to impound budget authority. 54 Comp. Gen. 453, 454 (1974). The Act covers both rescissions and deferrals. *A rescission exists* when the President determines that "all or part of any budget authority will not be required to carry out the full objectives or scope of programs for which it is provided or * * * should be rescinded for fiscal policy or other reasons * * *." 2 U.S.C. § 683(a). *A deferral* is a withholding or delaying of the obligation or expenditure of budget authority provided for projects or activities or any other type of executive action or inaction that efffectively precludes obligation or expenditure of budget authority. *Id.* § 682(1). The Act calls for the executive branch to submit proposed rescissions and deferrals for consideration by Congress. *Id.* §§ 683-84.

Consistent with the Impoundment Act, in B-200685, December 23, 1980, we pointed out that for an impoundment to occur, budget authority must be withheld or delayed from obligation by executive action or inaction. We also said that if a program decision did not preclude the obligation or expenditure of funds, an impoundment would not result. Thus, we cannot say that a violation of the Impoundment Control Act has taken place at this time because the Administration's intention to date, as evidenced by the (albeit improper) obligation of the funds, has not been to withhold or delay the availability of the funds for the program period.

Sincerely yours,

for Milton J. Socolar

Comptroller General
of the United States

Enclosures

## LETTER FROM SENATOR LOWELL P. WEICKER, JR.

February 4, 1985

The Honorable Charles A. Bowsher
Comptroller General of the United States
General Accounting Office
441 G Street
Washington, D.C. 20548

Dear Mr. Bowsher:

The purpose of this letter is to seek your opinion on issues pertaining to the availability and use of FY 1985 appropriations for the National Institutes of Health.

Background

In arriving at the level of annual appropriations for the National Institutes of Health, the Congress has traditionally based its decisions upon a complex set of factors which, taken together, most accurately represent the level of effort being supported by that agency. Among the many factors used in determining appropriations are the number of new, competing renewal, and non-competing research grants applied for and funded; as well as the number of clinical trials, research centers, and training fellowships being supported by the agency. Also considered is the level of research effort being carried out through the agency's intramural program.

With that as a backdrop, the Congress last year determined that in order for NIH to fulfill its mission it would be necessary to increase the number of new and competing renewal research projects funded in FY 1985. In its report accompanying H.R. 6028, the Labor, HHS, and Education Appropriations bill for FY 1985, the House Committee on Appropriations specified that funding for NIH had been increased "...to support an estimated 6,200 new and competing research projects grants" (Report No. 98-911, p. 30). In its report to accompany S. 2836, the Senate version of the appropriations bill, the Senate Committee on Appropriations stated that it had provided an increase in appropriations to support "...an additional 1,850 new and competing renewal research projects" over and above the 5,000 grants specified in the President's budget (Report No. 98-544; p. 50).

During a subsequent conference on the measure, House and Senate conferees reached a compromise on the number of new and competing renewal research projects to be funded in FY 1985.

Actions Being Taken by the Executive Branch

Through the President's budget for FY 1986 and supporting documents, the Congress has now been informed that the Administration intends to limit the number of new and competing renewal research projects it will fund in FY 1985 to 5,000, instead of the 6,526 grants that the appropriations bill will support. Moreover, we are informed that approximately 800 of those projects are to be funded on a multiyear basis and that congressionally mandated research centers will not be funded. That is, the FY 1985 appropriation would be used to support a significant number of projects for a two to three year period, rather than for the traditional one-year period.

Issues Raised by Executive Branch Actions

My understanding is that appropriations legislation represents much more than the abbreviated language which typically appears in the public law document. In order to follow the language and the spirit of the law one must also take into consideration the original proposals of the President, agency justification of appropriation estimates -- with its detailed explanation of program and funding mechanisms, relevant House and Senate bills, accompanying reports and floor debate. That being the case, the actions being taken in connection with the 1985 NIH appropriation raise some serious questions:

1. By deviating significantly from a congressional directive which clearly sets a specific level of program effort to be carried out, has the Executive Branch violated the language and the spirit of the appropriations act?

2. a. The FY 1985 NIH budget requests were presented and justified to Congress as supporting research projects for a period of one year (a long-standing funding practice for NIH research projects). Congress acted with the understanding that research projects would continue to be funded on that basis. By its subsequent decision to fund projects on a multiyear basis without seeking prior congressional approval, has the Executive Branch usurped congressional prerogatives and violated the intent of Congress?

b. The issue of multiyear funding was before thie subcommittee in 1984. What was the legislative history surrounding the issue at that time?

3. In your opinion, are the actions of the Executive Branch in compliance with the Budget and Impoundment Control Act, or any other pertinent statutes?

Your prompt attention and reponse to this letter is requested. My Subcommittee will begin hearings on the FY 1986 budget early in March and we would like your response prior to that time.

Sincerely,

Lowell Weicker, Jr., Chairman
Labor-HHS-Education Appropriations Subcommittee

SPECIAL EXHIBITS

114. Question: Please provide detailed cost and FTE estimates for the following National Forests shown on pages 326-327. What explains the reductions shown for each forest?

| | 1985 | 1987 |
|---|---|---|
| Panhandle | $16,023,000 | $12,803,000 |
| Lolo | 10,255,000 | 8,194,000 |
| Nez Perce | 9,393,000 | 7,506,000 |
| Boise | 9,634,000 | 8,305,000 |
| Payette | 9,525,000 | 8,212,000 |
| Salmon | 7,192,000 | 6,199,000 |
| Sawtooth | 5,311,000 | 4,578,000 |
| Targhee | 7,532,000 | 6,493,000 |

Answer: The following table shows the detailed cost and FTE estimates for fiscal years 1985-1987:

| National Forest | 1985 | FTE | 1986 | FTE | 1987 | FTE |
|---|---|---|---|---|---|---|
| Panhandle | $16,023,000 | 761 | $13,464,000 | 639 | $12,803,000 | 608 |
| Lolo | 10,255,000 | 403 | 8,617,000 | 339 | 8,194,000 | 320 |
| Nez Perce | 9,393,000 | 319 | 7,893,000 | 268 | 7,506,000 | 255 |
| Boise | 9,634,000 | 324 | 8,732,000 | 294 | 8,305,000 | 279 |
| Payette | 9,525,000 | 317 | 8,634,000 | 287 | 8,212,000 | 273 |
| Salmon | 7,192,000 | 166 | 6,518,000 | 150 | 6,199,000 | 143 |
| Sawtooth | 5,311,000 | 180 | 4,814,000 | 163 | 4,578,000 | 155 |
| Targhee | 7,532,000 | 243 | 6,827,000 | 220 | 6,493,000 | 209 |

In FY 1985, the dollars are actual obligations, based on Fiscal and Accounting year-end records. At the time the FY 1987 Budget Explanatory Notes were prepared, Regional allocations had not been prepared for FY 1987; therefore, these dollars were estimated based on FY 1986 Regional allocations.

115. Question: The table ending on page 329 totals $916,559,000, whereas the NFS lead table totals $894,488,000. What is the difference?

Answer: The FY 1987 Appropriation by Forest table on pages 326-329 includes $52,000,000 for the proposed Operation and Maintenance of Recreation Facilities budget line item, which does not appear in the National Forest System lead table on pages 100-101. If this amount was included in the NFS budget line item, the total program for FY 1987 is $946,488,000. Note that the total on page 329 does not include Washington Office costs.

## RECREATION

On page 258, you state that the $52 million for Operation and Maintenance of Recreation Facilities will be provided from the Land and Water Conservation Fund until such time as will allow the receipts to accrue.

116. Question: How much receipts will be generated in 1987?

Answer: In FY 1985, we collected $30.8 million in recreation fees. We do not anticipate additional fee authority early enough in FY 1986 to implement a new fee system and materially increase the receipts in FY 1986. However, if our recommended fee legislation is enacted at an early date, so the new fee system can be installed, we believe we can generate $52 million in receipts in FY 1987. Since these dollars would not be available for expenditure until FY 1988, we would still need the $52 million from the existing Land and Water Conservation Fund in FY 1987.

The NPS has an entrance fee proposal for 1987. That proposal provides a set fee for specified units of the National Park System.

117. Question: What is your user fee based on?

Answer: Our proposal is based on charging fees where facilities and services are provided, and where the use will make fee collections cost-effective. We would have a total of 4,000 sites and areas, with an average fee of $4 for individual camping sites, and $2 per person at heavy use areas where a variety of facilities and services are provided. The exact fee will be determined on an individual basis using national criteria similar to that which now exists, i.e., comparability with the private and other public sectors, benefits received by the user, and costs of providing the services and facilities.

118. Question: Will the user fee be tied to developed sites and services?

Answer: The fee will be tied to services and facilities. Some will be tied to an individual developed site and some will be tied to areas with several developments and facilities.

On page 166, you state that user fees will be charged at 2,350 of the campgrounds and swimming sites managed by the Forest Service.

119. Question: Which ones? What will the fee be?

Answer: The number of existing sites is 2,350, and this number includes the sites where reservation fees are in effect. A computer listing of these existing sites, with the individual fee, has been sent to the Subcommittee on Interior and Related Agencies under separate cover.

120. Question: Why is the wilderness management increased in 1987 over 1986? Where will the increase be spent?

Answer: The increase in wilderness management is to do the highest priority management tasks in the 164 new wilderness areas established in 21 States in 1984 and 1985. These tasks include preparing legal maps, boundary marking, closing of existing roads, public education, training new wilderness managers, and preparing management prescriptions. Management of these areas was not funded in FY 1986.

The cultural program is proposed for a $315,000 reduction and a reduction of 6 FTEs.

121. Question: What is the basis for the reduction?

Answer: The reduction results from a decline in the need for cultural resource support services due to reduced outputs in timber sales, road construction, land exchanges, minerals, and range project activity.

122. Question: Has the Forest Service concluded their field surveys or their inventories, or have they evaluated all of the potential National Register of Historic Places sites?

Answer: No. The Forest Service has completed surveys on about 20% of the National Forest System lands. About 2.0 million acres of survey are accomplished each year, which represents about 1% of the total. Surveys have identified over 110,000 cultural properties, of which 20% have been evaluated for their National Register potential. Nearly 11,000 new cultural properties are found each year, of which about 1,000 are evaluated for their National Register potential each year.

We are spending almost 90% of all cultural resource spending in support of other programs, such as timber and minerals. This means that less than $1 million was spent (page 170) to protect archaeological resources and other cultural resources in high priority areas not affected by other programs.

123. Question: Where was that million spent?

Answer: Sixty percent of this amount was spent on data recovery, documentation, and protection projects in the nine regions. This includes test excavation, stabilization, and inventory and evaluation not in direct support of other programs. The remaining amount went towards the nomination of cultural properties to the National Register, cultural resource planning, and cultural resource overview preparation.

124. Question: What are the highest priorities of unmet needs?

Answer: The highest priorities are as follows:

1. Evaluation of existing backlog of identified, but unevaluated, cultural properties. The Forest Service is able to carry out the evaluation of about 10% of the new sites identified through field survey each year. The remaining sites become part of a growing backlog of unevaluated properties that require some future action to determine whether or not they are important.

2. Stabilization, repair, and protection of cultural properties discovered in damaged condition or found to be damaged through illegal digging or through the effects of natural deterioriation. A considerable number of sites are found in damaged condition during field surveys, while others are

damaged through illegal digging and collecting activities. Some action is needed to repair the damage and return the site to a stabilized condition in order to prevent further loss.

3. Surveys needed in areas with high cultural potential, but low development priority, in order to assess the impact on important cultural resources from visitor use and deterioration.

## WILDLIFE AND FISH HABITAT MANAGEMENT

You are proposing a reduction of $4,914,000 (-13%) in this program. Endangered species are proposed for a reduction of $1,235,000 (-50%). Anadromous fish habitat improvement is proposed for a reduction of $1,020,000 (-26%).

125. Question: Is public demand for hunting, fishing, and non-consumptive uses on the decline?

Answer: Participation appears to be increasing, as measured by the Fish and Wildlife Service's National Survey of Fishing and Hunting:

- The number of sportsmen grew from 24,917,000 in 1955 to 46,966,000 in 1980--an annual rate of increase of 2.5 percent.
- Total expenditures for hunting and fishing grew from $2,850,979,000 in 1955 to $27,213,642,000--an annual rate of growth of 9.5 percent.
- Days spent fishing and hunting grew from 566,870,000 in 1955 to 1,388,461,000--an annual rate of 3.5 percent.

These historical trends cannot be projected to increase as rapidly over the next 25 year.

Last year, the Committee provided an increase to be used, in effect, as a challenge grant. The Committee was aware of a number of opportunities whereby worthwhile projects could proceed, but only if Federal funding was provided. We developed a program whereby Federal funds would be matched with non-Federal funds.

126. Question: How has that program been accepted in 1986?

Answer: The Challenge Grant Program was initiated in all nine Regions of the Forest Service. The following amounts were allocated in the four program areas:

| | |
|---|---|
| Wildlife | $477,695 |
| Resident Fish | $284,700 |
| Threatened and Endangered Species | $ 44,200 |
| Anadromous Fish | $ 97,100 |
| Total | $903,695 |

There is considerable interest among the various conservation groups to be involved in this program. It is a successful program.

127. Question: Was any of that used for endangered species type work?

Answer: In FY 1986, $67,000 was provided for habitat improvement work for Threatened and Endangered species. Cooperators included the Peregrine Fund, Inc., Colorado Division of Wildlife, and the Wyoming Game and Fish Department. Funds were primarily provided for installation of peregrine falcon hack sites and monitoring, which is part of the reintroduction effort.

128. Question: How did you accept proposals? How did you review them?

Answer: A request was made to the Regional Foresters to provide a list of potential challenge grant funding projects. The projects were classified as wildlife, resident fish, threatened and endangered species, and anadromous fish. Information was maintained on the cooperators and the type of work to be accomplished. The Regions Challenge Grant proposals were reviewed according to criteria developed at the National level. These criteria include: emphasis on on-the-ground habitat improvement projects; cooperating with, as a minimum, the agencies and organizations listed in the Senate's subcommittee appropriations report; and providing a diversity of projects.

129. Question: How many endangered species do you have on NFS lands? How many threatened species? How many candidate species?

Answer: The number of endangered, threatened, and candidate species on NFS lands, as of May 6, 1986, are as follows:

| | | |
|---|---|---|
| Endangered species | 67 | |
| Threatened species | 24 | |
| Threatened/Endangered species | 4 | (depending on geographic location) |
| Candidate species: | | |
| Proposed for listing by FWS | 15 | |
| Category 1 | 17 | |
| Category 2 | 110 | |
| Total, Candidate species | 142 | |

130. Question: How many recovery plans have been approved by the Fish and Wildlife Service?

Answer: Currently, 64 recovery plans have been approved by the Fish and Wildlife Service for the 95 listed species which occur on National Forest System lands. The recovery plan is the official document for Federal agencies to follow in developing and carrying out programs to protect the listed species.

In lieu of the plan not being developed by the Fish and Wildlife Service, the Forest Service meets its obligation to the Endangered Species Act by developing habitat management plans and incorporating the latest management strategies for the species in forest and project plans. These plans, however, are and have been subject to jeopardy opinions from the Fish and Wildlife Service, and appeals and suits from the public.

131. Question: If we were to restore the program to the 1986 level, what projects would be funded?

Answer: The FY 1987 President's budget provides for necessary high-priority coordination, mitigation, and habitat improvement that is affected by other resource management activities. If the program were funded at the FY 1986 level, priority would be given to the Forest Service portion of key recovery objectives in recovery plans agreed to with the Fish and Wildlife Service. Highest priority would be recovery programs for grizzly bear, Puerto Rican parrot, woodland caribou, red-cockaded woodpecker, and further inventory and status work on proposed endangered, threatened, and category plants. Gathering information needed to reduce impacts on timber sales and other projects would be accelerated.

Last year, you provided the Committee with a detailed set of descriptive material concerning what would be done for grizzly bear management activities.

132. Question: Please provide comparable material for the fiscal 1986-87 program.

Answer:

GRIZZLY BEAR PROGRAM
FY 1986
(Dollars in Thousands)

| Description | Regions 1 | 2 | 4 | 6 | Total |
|---|---|---|---|---|---|
| Habitat Mapping | $143 | $ 12 | $ 34 | $ 38 | $227 |
| Habitat Improvement | 10 | 8 | 3 | 5 | 26 |
| Cumulative Effects Analysis | 71 | 14 | 35 | 10 | 130 |
| Conflict Reduction | 41 | 28 | 28 | 5 | 102 |
| Coordination with Agencies | 61 | 28 | 14 | 2 | 105 |
| Resource Coordination | 41 | 24 | 17 | 5 | 87 |
| Monitoring Habitat Use | 17 | 12 | 35 | 0 | 64 |
| Public Education | 44 | 24 | 14 | 10 | 92 |
| Total | $428 | $150 | $180 | $ 75 | $833 |

GRIZZLY BEAR PROGRAM
FY 1987 President's Budget
(Dollars in Thousands)
(Estimate)

| Description | Regions 1 | 2 | 4 | 6 | Total |
|---|---|---|---|---|---|
| Habitat Mapping | $ 60 | $ 5 | $ 20 | $ 20 | $105 |
| Habitat Improvement | 0 | 0 | 0 | 5 | 5 |
| Cumulative Effects Analysis | 50 | 15 | 30 | 20 | 115 |
| Conflict Reduction | 25 | 15 | 15 | 2 | 57 |
| Coordination with Agencies | 30 | 15 | 5 | 3 | 53 |
| Resource Coordination | 25 | 15 | 10 | 10 | 60 |
| Monitoring Habitat Use | 10 | 0 | 10 | 0 | 20 |
| Public Education | 50 | 35 | 25 | 15 | 125 |
| Total | $250 | $100 | $115 | $ 75 | $540 |

134. Question: The Forest Service received a $900,000 add-on in the FY 1986 budget. What was the allocation of this money by Regions and species, and what specific work is being accomplished?

Answer: The FY 1986 Conferee action resulted in a Congressional add-on of $816,000 for threatened and endangered species. Of this amount, $67,000 was earmarked for Challenge Grants and $32,000 was sequestered due to the Deficit Control Act, for a total of $717,000.

The listed species, for which the Congressional add-on funding is being expended in FY 1986, is as follows:

| Region | Species | Amount |
|---|---|---|
| R-1 (Northern Region) | Grizzly bear | $ 40,000 |
| R-2 (Rocky Mountain Region) | Greenback cutthroat trout, Grizzly bear | 19,000 |
| R-3 (Southwestern Region) | Peregrine falcon, Bald eagle, Arizona trout, Gila trout | 24,000 |
| R-4 (Intermountain Region) | Grizzly bear, Lahontan trout Peregrine falcon, Paiute cutthroat trout | 32,000 |
| R-5 (Pacific Southwest Region) | California condor, Bald eagle Peregrine falcon | 408,000 |
| R-6 (Pacific Northwest Region) | Woodland caribou, Grizzly bear | 6,000 |
| R-8 (Southern Region) | Puerto Rican parrot, Gray bat, Red-cockaded woodpecker, Bald eagle | 142,000 |
| R-9 (Eastern Region) | Peregrine falcon, Gray wolf, Bald eagle, Kirtland's warbler | 46,000 |
| Total | | $717,000 |

The type of work being accomplished includes the following:

- Mapping grizzly bear habitat for the cumulative effects analysis.
- Analyzing other resource impacts on grizzly bears through the cumulative effects analysis.
- Developing a public education program to inform people of the Interagency Grizzly Bear Program and how to conduct their recreational activities when in grizzly bear habitat.
- Removing undergrowth in red-cockaded woodpecker territories through prescribed burning.
- Conducting surveys of the Puerto Rican parrot to determine its nesting success.
- Installing peregrine falcon hack sites and monitoring which occurs following the placing of the birds at the site.
- Conducting aerial and ground surveys of the California condor to determine the presence of species and any nesting activities.
- Conducting bald eagle surveys and developing territory management plans.
- Removing logs in sensitive steelhead stream management areas and bedrock blasting.
- Improving habitat of the sensitive plant, Yampa species, through prescribed burning.
- Planting ponderosa pine in bald eagle roost areas to provide for future roost trees.
- Modifying ledges to improve nesting opportunities for peregrine falcons.

- Placing instream structures to improve the habitat for Lahontan cutthroat trout.

You are proposing that Threatened and Endangered species habitat improvement funds be cut more than 50% over FY 1986.

134. Question: What work will not be done due to this reduction?

Answer: Habitat improvement accomplishments (recovery and habitat maintenance work) will be decreased from 35,830 acres in FY 1986 to 15,322 acres in FY 1987. The number of structures will decrease from 950 structures in FY 1986 to 193 structures in FY 1987. Inventories to determine the occurrence and status some of proposed and category one and two plants on lands administered by the Forest Service will be delayed. There will also be a reduction in public education efforts, conflict resolution with other resource uses, and the degree of cumulative effects analysis for the grizzly bear. However, habitat improvements for established threatened and endangered species will be maintained.

135. Question: What affect will this have on maintaining habitat for the red-cockaded woodpecker?

Answer: Habitat in the woodpecker colonies will be protected from any resource activity which could be detrimental to maintaining a viable population.

There have been very few of the plant and animals listed that have been removed from the list. We request a report containing the following information on these:

136. Question: A list of the species that have been removed from the list due to recovery since the ESA was passed. (Do not list those species that have been partially released due to recovery of a "population").

Answer: The following list, by the Fish and Wildlife Service, dated September 30, 1985, shows those species that have been delisted due to recovery since 1980:

| Fiscal Year | Species Delisted | Species Occurring on NFS Lands |
|---|---|---|
| 1982 | Tecopa pupfish | No |
| 1983 | Longjaw cisco | No |
| | Blue pike | No |
| 1982 | Santa Barbra song sparrow | No |
| | Pine barrens treefrog | No |
| | Sampson's pearly mussel | No |
| | Indiana flap-shelled tortois | No |
| | Bahama swallowtail butterfly | No |
| 1985 | Palau fantail flycatcher | No |
| | Palau ground dove | No |
| | Palau owl | No |

137. Question: The number of years necessary to reach "recovered" status?

Answer: Recovery rates of individual species, as well as different populations of the same species, may differ depending on reproductive capabilities; genetic influences; and habitat quality, amount, and distribution, as well as other factors. This aspect may be further complicated by the need for research. Actual recovery may depend on completion of research prior to implementing the different recovery elements of a recovery plan.

However, even if all identified recovery work were completed, unforeseen catastrophic events, such as disease and habitat destruction, can delay recovery. This is examplified by canine distemper in the black-footed ferret populations, habitat destruction by hurricane (Puerto Rican parrot), and fire (Kirtland's warbler), to name a few. In addition, the Forest Service seldom controls all the habitat needed for recovery.

138. Question: The total cost of recovery. Include the cost to other State and Federal agencies of actions necessary in achieving the recovery that were required by the F&WS under the ESA.

Answer: The "total cost" of recovery cannot accurately be estimated. Except for the brown pelican, there have been no species recovered on NFS lands. In part, this is due to the four key factors of funding, the fluctuating nature of the threatened and endangered species budgets, the pace of listings by the Fish and Wildlife Service (i.e., a goal of 50+ species per year), and an inadequate number of official recovery plans.

Estimated agency expenses for recovery efforts over a 3-year period, based on the Fish and Wildlife Service recovery plan data, is as follows for several selected species:

| Species | Initiated Recovery Plan | Amount |
|---|---|---|
| Grizzly bear | 1982 | $2,806,000 |
| Northern Rocky Mountain wolf | 1985 (Draft) | $1,313,000 |
| Clay phacelia (Phacelia argillacea) | 1982 | $ 19,000 |
| Golden heather (Hudsonia montana) | 1983 | $ 60,000 |
| California condor | 1984 | $4,190,000 |
| Gila trout | 1978 | $ 155,000 |
| Mountain caribou | 1985 | $ 155,000 |

139. Question: Provide the estimated "cost" to the taxpayer of saving from extinction each individual plant or animal in the fully recovered population.

Answer: The "cost" to the taxpayer cannot be estimated with any degree of accuracy.

140. Question: Provide the cost of appeals and litigation-associated activities of all agencies in recovering those populations.

Answer: The agencies involved do not keep a record of specific funds expended on threatened and endangered recovery in appeals and litigations. Nearly all appeals and law suits involve a heterogenous mix of resource issues for each action.

Based on sampling from nine Forest Service Regions, an average cost of a "normal" appeal (not requiring an inordinate amount of time to close and not having large number of interveners) is $1,400 to $30,000. An average range for "complex" appeals is $6,000 to $200,000.

Please provide the following information on the grizzly bear program to date and estimating costs to do listing.

141. Question: The number of years necessary to reach "recovered" status?

Answer: The 1982 Grizzly Bear Recovery Plan does not predict a recovery date. As discussed in question 137, prediction of recovery dates are unreliable because of many factors related to the species and its habitat, some of which are controlled by man.

142. Question: The total cost of recovery. Include the cost to other State and Federal agencies of actions necessary in achieving the recovery that were required by the F&WS under the ESA.

Answer: The 1982 Grizzly Bear Recovery Plan documents estimated costs and activities, to be completed by the different agencies over a 3-year period, at $2,806,000.

143. Question: Provide the estimated "cost" to the taxpayer of saving the grizzly bear from extinction in the fully recovered population.

Answer: While the 1982 Grizzly Bear Recovery plan presents an estimate of $2,806,000 over a 3-year period, the revised recovery plan (in progress) and actual cost for grizzly bear recovery will undoubtedly be greater.

144. Question: Provide the cost of appeals and litigation-associated activities of all agencies in recovering this population.

Answer: We do not have records of the number of appeals involving grizzly bears. Appeals are aimed at timber sales, gas and oil development, road construction, and other activities which may occur in grizzly bear habitat.

We are concerned that the U.S. Fish and Wildlife Service (USF&WS) biological opinions on species not confirmed to be present, and likely extinct, cause you to spend your limited endangered species funds in inappropriate ways. For example, we understand that the Forest Service is being forced by a Fish and Wildlife Service biological opinion and threat of suit from the National Wildlife Federation to spend money this year for habitat manipulation and monitoring of the Bachman's Warbler on the Frances Marion National Forest in South Carolina, even though you have evidence that the species is no longer present, and is likely extinct.

145. Question: Can you give us the history and specific situation on this?

Answer: The Bachman's warbler was listed as an endangered species by the USF&WS in 1973. At that time, the Forest Service developed habitat management plans for the species and consulted on these plans with the USF&WS.

There has been no observation record of the Bachman's warbler on National Forest lands or in the South since the 1960s. As a result of a jeopardy opinion on a proposed Forest Service management action in 1978, a compromise was reached and the Forest Service funded: a 7-year field survey to document any sightings of the warbler (approximately $38,900); prescribed burning and thinning to improve warbler habitat, scheduled for FY 1987 ($8,500); over 98 correspondences with the Forests and other agencies ($20,000); and surveys to determine the effect of habitat management for FY 1986 ($1,800).

In FY 1980, there was a lawsuit over a road project which supposedly affected the warbler habitat. The Federal government had to pay $34,261 in damages as the road contract, which had been awarded to Georgia-Pacific, was terminated.

Similar situations can occur with other species such as the eastern cougar and ivory-billed woodpecker that are being carried on the endangered species list, even though they are probably extinct. We understand that under the Endangered Species Act regulations you must ask the Fish and Wildlife Service for a list of species which "may be present" in the area of your plan or project. The Fish and Wildlife Service then gives you a list without verifying actual presence or absence. A biological assessment must be completed and a formal consultation is held on the effects on these species which no one can verify as really occurring. Concerning the eastern cougar, we understand that you had to consult with the Fish and Wildlife Service on this unverified species, then, due to a "jeopardy opinion," spent $150,000 over a 3-year period trying to verify that this extinct species was no longer present.

146. Question: Can you give us the specifics on the history of this situation?

Answer: The eastern cougar was last observed in the Eastern and Southern United States in the early 1900s. Reports of cougar sightings have been frequent for at least the last decade, but the only reliable documentation of sightings have come from northern Minnesota.

In FY 1979, the Forest Service funded a 3-year investigation on cougar reports in North Carolina, an area of reported sightings in the Eastern United States. Funds amounting to $50,000 per year were provided to the USF&WS for this study. No conclusive evidence of eastern cougar presence was observed.

The USF&WS has recently assigned the job of updating the eastern cougar recovery plan to the State of New York. It is the conclusion of Forest Service wildlife biologists that the eastern cougar has been extirpated and it should be delisted as an endangered species.

## SPOTTED OWL HABITAT

147. Question: How much Forest Service research money is being spent to resolve the questions surrounding spotted owl habitat?

Answer: Questions surrounding the habitat of the spotted owls focus on many aspects of old growth wildlife in the Pacific Northwest. Forest Service research is spending just over $1 million in both FY 1986 and in the FY 1987 budget on old growth wildlife habitat related research; 50 percent of which is directed specifically at the spotted owl (spotted owl movements, reproductive success, juvenile mortality, etc.) and the remaining 50 percent is directed at the spotted owl-old growth habitat complex (vegetative structure of old growth, habitat use by spotted owl prey and predators, etc.). All of the studies will contribute to resolving questions surrounding spotted owl habitat.

148. Question: What specific habitat questions are being addressed?

Answer: The following areas are being addressed:

1) Habitat use and habitat availability for spotted owl
2) Vegetative characteristics of spotted owl old growth habitat
3) Habitat use by spotted owl prey species
4) Spotted owl movements in spotted owl management areas (SOMA) and natural and managed non-old growth stands
5) Spotted owl predator interactions by habitat type

149. Question: Will any of these studies determine the owls use of second growth habitat?

Answer: Studies listed in items 1, 3, 4, and 5 of the previous question are being conducted in second growth stands, as well as old growth stands.

150. Question: How much of the NFS funds are being used to inventory spotted owls and determine habitat needs?

Answer: The following are estimates for surveys which were completed in FY 1985 and are planned in FY 1986:

Region 6 (Oregon and Washington)

| | |
|---|---|
| FY 1985 | $262,000 |
| FY 1986 | $116,000 |

Region 5 (California)

| | |
|---|---|
| FY 1985 | $125,000 |
| FY 1986 | $125,000 |

## RANGE

Your range proposal for 1987 represents a slight increase over 1986 levels after the DCA reductions, and a slight decrease from the 1987 base program. However, we note that AUMs are reduced from 1985 to 1986, from 10.1 to 9.8.

151. Question: Was that a proposal in the 1986 budget?

Answer: The figure of 9.8 million AUM's for FY 1986 is a target or goal which we expect to achieve. The figure of 10.1 million AUM's is actual accomplishments in FY 1985. The proposed target for FY 1985 was 9.8 million AUM's, but it was exceeded by about 3% or approximately 0.3 million AUM's.

Noxious farm weed control is proposed for a cut of $186,000 (-14%). The acres treated, however, are reduced 17,288 acres (-59%).

152. Question: Why such a large discrepancy?

Answer: The reduction in acres is a combination of fewer dollars, legal constraints on use of herbicides, and fewer acres treated with Range Betterment Funds and under the Conservation Practices Program. To a lesser degree, increased unit costs are contributing to fewer acres being treated as we begin to treat the harder to reach sites infected with noxious farm weeds.

## CONSTRUCTION

You are proposing a road budget of $178,485,000, a reduction of $9,720,000 (-5%). This also represents a loss of 300 FTE from 1985 levels.

153. Question: How much would it cost to continue the 1986 sales program in 1987?

Answer: To sustain the timber sale offer program in 1987 at 10.95 BBF, the Forest road program estimate is $219.7 million, or approximately $41.2 million above the FY 1987 President's budget. This amount assumes 2.6 BBF reoffer volume included in the overall 10.95 BBF program. However, the timber sales program would have to increase beyond the budget constraints of the President's Budget unless offsets were identified.

154. Question: What will the impact be of the FTE losses?

Answer: The primary impact of the reduction in FTE's will be the ability to sustain outyear programs at current or higher levels. At present, the timber volume being reoffered (3.25 BBF in FY 1986 and 2.6 BBF in FY 1987), as a result of the Federal Timber Contract Payment Modification Act, is acting as a buffer because much of the transportation system relating to that volume has been constructed or reconstructed and is ready for use. As reoffer volumes diminish, the impact of FTE losses will become more evident.

Last year, the Committee directed the Forest Service to achieve a 5% reduction in average road costs.

155. Question: Please provide a briefing paper on FS implementation of this directive.

Answer: Each Region was provided with a "target" unit cost for FY 1986 which is equal to 95 percent of their approved FY 1985 program.

Essentially, the "target" formula is the sum of the Forest Road Program (FRP), Purchaser Credit Program (PCP), and Purchaser Elect Program (PEP) dollars divided by the total miles to be constructed and reconstructed via all three programs. This means:

FY 1985 FY 1986

$$\frac{.95(FRP + PCP + PEP)}{TOTAL\ MILES} = \frac{(FRP + PCP + PEP)}{TOTAL\ MILES}$$

A monitoring program has also been set up to periodically review Regions' expenditures and outputs.

All Regions have indicated that they expect to achieve their targets.

156. Question: For each of the facility construction projects listed on pages 226-230 that cost more than $100,000, provide a detailed project statement, including a project description; a complete cost by year; obligations by year; and other pertinent data.

Answer: A summary of costs is followed by a detailed project listing.

SUMMARY OF COSTS

(Dollars in Thousands)

| | Costs To Date | FY 1987 Costs Fac. | FY 1987 Costs Rds. | Future Year Costs Fac. | Future Year Costs Rds. | Total Costs Fac. | Total Costs Rds. |
|---|---|---|---|---|---|---|---|
| **Region 1** | | | | | | | |
| Wisdom District Warehouse | 0 | $180.0 | 0 | 0 | 0 | $180.0 | 0 |
| Trailer Pads | 0 | 110.0 | 0 | 0 | 0 | 110.0 | 0 |
| Troy District Warehouse | 0 | 250.0 | 0 | 0 | 0 | 250.0 | 0 |
| **Region 2** | | | | | | | |
| Del Norte District Office | 0 | 300.0 | 16 | 0 | 0 | 300.0 | 16 |
| **Region 3** | | | | | | | |
| Jacob Lake Phase IV | 623.7 | 311.0 | 0 | 0 | 0 | 934.7 | 0 |
| **Region 4** | | | | | | | |
| Health and Safety Projects | 9.0 | 101.0 | 0 | 0 | 0 | 110.0 | 0 |
| Lowman Admin. Site - Phase II | 138.0 | 172.0 | 0 | 620.0 | 35 | 930.0 | 35 |
| Indian Creek and Mahoney Airfields | 11.0 | 221.0 | 0 | 0 | 0 | 232.0 | 0 |
| Supervisor's Office Remodeling | 9.0 | 138.0 | 0 | 0 | 0 | 147.0 | 0 |
| **Region 5** | | | | | | | |
| Quincy Ranger District and Zone Engineering Office | 0 | 700.0 | 200 | 0 | 0 | 700.0 | 200 |
| Loma Rica Interagency Dispatch Office | 0 | 260.0 | 0 | 0 | 0 | 260.0 | 0 |
| **Region 6** | | | | | | | |
| Ukiah Ranger Station | 217.25 | 402.0 | 6 | 0 | 0 | 619.25 | 6 |
| Detroit Ranger Station Barracks | 40.0 | 490.0 | 0 | 0 | 0 | 530.0 | 0 |
| Paisley Barracks | 9.0 | 134.0 | 0 | 0 | 0 | 143.0 | 0 |

| | Costs To Date | FY 1987 Costs Fac. | Rds. | Future Year Costs Fac. | Rds. | Total Costs Fac. | Rds. |
|---|---|---|---|---|---|---|---|
| | | (Dollars in Thousands) | | | | | |
| Region 8 | | | | | | | |
| Vernon Work Center | 35.0 | 510.0 | 28 | 0 | 0 | 545.0 | 28 |
| Region 9 | | | | | | | |
| Sault St. Marie Office Purchase | 0 | 265.0 | 5 | 0 | 0 | 265.0 | 5 |
| Greenbrier Office Phase I | 21.0 | 146.0 | 37 | 188.0 | 0 | 355.0 | 37 |
| Region 10 | | | | | | | |
| Craig Office | 30.0 | 170.0 | 0 | 790.0 | 0 | 990.0 | 0 |
| TOTAL | 1142.95 | 4860.0 | 292 | 1598.0 | 35 | 7600.95 | 327 |

Region 1

MT - Beaverhead - Wisdom District Warehouse - $180,000

Presently, the Wisdom Ranger District does not have any warehouse for storage of off-season equipment and service of vehicles. They are using a horse barn for storage now. This project, which is the last phase of a two-phase program for development of a new administrative site, will complete the facility needs of the Wisdom Ranger Station.

| | |
|---|---|
| Cost to Date: | $ 0 |
| FY 1987 Cost: | 180,000 |
| Future Year Cost: | 0 |
| Total Cost: | $ 180,000 |

MT - Gallatin - Trailer Pads - $110,000

Due to the lack of adequate crew housing facilities at several sites throughout the Gallatin National Forest, and the need for intermittent use of the sites to base workcrews, it is proposed to construct only underground utility services with surfaced parking pads for use by mobile crews. This solution will allow a minimum of capital investment to provide adequate and sanitary crew housing facilities, that could be moved from site to site as resource management activities dictate.

| | |
|---|---|
| Cost to Date: | $ 0 |
| FY 1987 Cost: | 110,000 |
| Future Year Cost: | 0 |
| Total Cost: | $ 110,000 |

MT - Kootenai - Troy District Warehouse - $250,000

This project will provide a single warehouse facility at the Troy Ranger Station that will replace several old sheds, lean-to's, and considerable outside storage. The present storage facilities pose safety hazards, are scattered, and are in poor condition; resulting in lost time by crews in collecting work equipment, in potential injuries, and in damage to or loss of equipment due to weather or theft.

| | |
|---|---|
| Cost to Date: | $ 0 |
| FY 1987 Cost: | 250,000 |
| Future Year Cost: | 0 |
| Total Cost: | $ 250,000 |

Region 2

CO - Rio Grande - Del Norte District Office - $300,000 (Facilities)
$ 16,000 (Roads)

The project consists of constructing a new 3,100 square foot office at the existing Del Norte Ranger Station on the east edge of Del Norte, Colorado. A new sewage disposal system, parking lot for the public, including RV's, relocated utilities, and landscaping are also included. The existing office is a leased facility (costing $22,000 per year) and is located in a remodeled gas station. Parking is inadequate for both employees and the public. The new building will be more energy efficient. By locating at one area, it is estimated that 1,000 person-hours/year and 4,000 vehicle-miles/year will be saved at the new location.

| | |
|---|---|
| Cost to Date: | $ 0 |
| FY 1987 Costs: | |
| Facilities: | 300,000 |
| Roads: | 16,000 |
| Future Year Cost: | 0 |
| Total Cost: | $ 316,000 |

Region 3

AZ - Kaibab - Jacob Lake Phase IV - $311,000

There is a typographical error in our request for this project. The correct project name is Jacob Lake Phase IV. This is the final phase of the project. In this phase, we plan to construct a warehouse, a flammable materials storage building, and a secure outside storage area.

| | |
|---|---|
| Cost to Date: | $ 623,700 |
| FY 1987 Costs: | 311,000 |
| Future Year Cost: | 0 |
| Total Cost: | $ 934,700 |

Region 4

Region-wide - Health and Safety Projects - $101,000

Replace existing unsafe and substandard electrical wiring and potable water systems at the following various administrative sites:

| | |
|---|---|
| Bridger-Teton--Corral Creek Water System | $ 30,000 |
| Dixie--Wildcat Water System | 21,700 |
| Manti-LaSal--Ferron Complex Rewire | 25,000 |
| Manti-LaSal--Indian Creek/Castle Dale Rewire | 24,300 |
| Total | $101,000 |

| | |
|---|---|
| Cost to Date: | $ 9,000 |
| FY 1987 Costs: | 101,000 |
| Future Year Costs: | 0 |
| Total Cost: | $ 110,000 |

ID - Boise - Lowman Administration Site -- Phase II - $172,000

Convert administrative site from a seasonal site to year-round Ranger District headquarters. Prior to conversion, the District moved to Boise during the winter. Extend utilities to duplex and bunkhouse area, construct additional parking, upgrade water and sewer sysetms, construct recreation facilities for employees living on the site, construct gas, oil, and pesticide storage building.

| | |
|---|---|
| Cost to Date: | $ 138,000 |
| FY 1987 Costs: | 172,000 |
| Future Year Costs: | |
| Facilities: | 620,000 |
| Roads: | 35,000 |
| Total Cost: | $ 965,000 |

ID - Challis - Indian Creek and Mahoney Airfields - $221,000

Reconstruct two existing backcountry airfields. Federal legislation which created the Frank Church River of No Return Wilderness requires these airfields be brought to FAA standards and then be maintained in that condition.

| | |
|---|---|
| Cost to Date: | $ 11,000 |
| FY 1987 Cost: | 221,000 |
| Future Year Costs: | 0 |
| Total Cost: | $ 232,000 |

NV - Toiyabe - Supervisor's Office Remodeling - $138,000

The Forest Service exchanged an administrative site located in Reno, Nevada, for a site in Sparks, Nevada. The Sparks site has an existing commercial-type building. With remodeling, it will be suitable for the Toiyabe National Forest Supervisor's Headquarters.

| | |
|---|---|
| Cost to Date: | $ 9,000 |
| FY 1987 Cost: | 138,000 |
| Future Year Costs: | 0 |
| Total Cost: | $ 147,000 |

Region 5

CA - Plumas - Quincy Ranger District and Zone - $700,000 (Facilities)
Engineering Office $200,000 (Roads)

Construct a 10,000 square foot building to house the colocation of the Qunicy Ranger District office and the office/work space for a Forest zone engineering organization. Will include the expansion of the sites present water, sewer, and electrical systems to accommodate new office and the construction of an access road and parking.

| | |
|---|---|
| Cost to Date: | $ 0 |
| FY 1987 Cost: | |
| Facilities: | 700,000 |
| Roads: | 200,000 |
| Future Year Cost: | 0 |
| Total Cost: | $ 900,000 |

CA - Tahoe - Loma Rica Interagency Dispatch Office - $260,000

Construct a 5,204 square foot interagency office (Forest Service--3,266 square feet and California Department of Forestry--1,938 square feet). The $260,000 is the Forest Service's share. The California Department of Forestry's share is $154,000.

| | |
|---|---|
| Cost to Date: | $ 0 |
| FY 1987 Cost: | 260,000 |
| Future Year Cost: | 0 |
| Total Cost: | $ 260,000 |

Region 6

OR - Umatilla - Ukiah Ranger Station - $402,000 (Facilities)
$ 6,000 (Roads)

This project will move the present office and convert it to warehouse at a new site within the compound. In addition, an 8,200 square foot office will be constructed at the vacated site. These building projects will upgrade Ukiah Ranger Station to accommodate needed reorganization associated with recent Wilderness legislation. The Dale Ranger Station will become a work center since a large portion of the Forest administered from this headquarters is now wilderness.

| | |
|---|---|
| Cost to Date: | $ 217,250 |
| FY 1987 Cost: | |
| Facilities: | 402,000 |
| Roads: | 6,000 |
| Future Year Cost: | 0 |
| Total Cost: | $ 625,250 |

OR - Willamette - Detroit Ranger Station Barracks - $490,000

This project will construct housing and cooking/dining facilities for 45 employees. All utilities and directly associated parking and access will be required. Construct additional employee parking for office area.

| | |
|---|---|
| Cost to Date: | $ 40,000 |
| FY 1987 Cost: | 490,000 |
| Future Year Cost: | 0 |
| Total Cost: | $ 530,000 |

OR - Fremont - Paisley Barracks - $134,000

This project will provide housing and cooking/dining facilities for 16 people. Size of the structure will be 1,722 square feet. A septic tank and drainfield is part of the project.

| | |
|---|---|
| Cost to Date: | $ 9,000 |
| FY 1987 Cost: | 134,000 |
| Future Year Cost: | 0 |
| Total Cost: | $ 143,000 |

Region 8

LA - Kisatchie - Vernon Work Center - $510,000 (Facilities)
$ 28,000 (Roads)

Construction of a replacement work center for 18 people. This includes new site development, water supply, sewage disposal, work center main building, flammable storage, equipment wash area, pesticide storage, seedling cooler, utilities, communications, fence, 0.03 mile of road, and public parking. This work center will serve an area of 85,000 acres.

| | |
|---|---|
| Cost to Date: | $ 35,000 |
| FY 1987 Cost: | |
| Facilities: | 510,000 |
| Roads: | 28,000 |
| Future Year Cost: | 0 |
| Total Cost: | $ 573,000 |

Region 9

MI - Hiawatha - Sault St. Marie Office Purchase - $265,000 (Facilities)
$ 5,000 (Roads)

Purchase of existing office building which we presently lease. Based on life-cycle cost analysis, this is the lowest cost alternative over leasing or constructing a new office. Life-cycle savings are estimated at $195,000 over lease at current cost.

| | |
|---|---|
| Cost to Date: | $ 0 |
| FY 1987 Cost: | |
| Facilities: | 265,000 |
| Roads: | 5,000 |
| Future Year Cost: | 0 |
| Total Cost: | $ 270,000 |

WV - Monongahela - Greenbrier Office--Phase I - $146,000 (Facilities)
$ 37,000 (Roads)

Construct a new office building to replace temporary office in a residence.

| | |
|---|---|
| Cost to Date: | $ 21,000 |
| FY 1987 Cost: | |
| Facilities: | 146,000 |
| Roads: | 37,000 |
| Future Year Cost: | 188,000 |
| Total Cost: | $ 392,000 |

Region 10

AK - Tongass - Craig Office Land Purchase and Site Preparation - $170,000

This will purchase the 1.33 acres and accomplish site clearing, grading, and parking facility construction.

| | |
|---|---|
| Cost to Date: | $ 30,000 |
| FY 1987 Cost: | 170,000 |
| Future Year Cost: | 790,000 |
| Total Cost: | $ 990,000 |

157. Question: Why aren't Mount St. Helens projects included in your recreation proposals? Don't they meet priorities?

Answer: Mount St. Helens roads compete Regionally and nationally for a limited amount of funds. Because of the high cost of $8,108,000 for the project, we were unable to include the project in our 1987 program without deleting many other projects of similar priority.

158. Question: What is the status of Mount St. Helens construction? What has been done? What is next?

Answer: The following is the history of capital improvements for the Mount St. Helens National Volcanic Monument:

Capital Improvements Accomplished FYs 1980-1985:

- Completed seven campgrounds (rehabilitation and expansion); one is in progress.
- Completed two viewpoints and interpretive facilities; six are in progress.
- Completed temporary visitor portals at Yale and Iron Creek.
- Upgraded the Pine Creek Information Station.
- Upgraded the temporary visitor center.
- New visitor center is well underway after being delayed by the appeal of a builder who did not get the bid. Contract for the exhibits has been awarded.
- Work at Iron Creek campground is underway.
- Constructed 27.2 miles of trail, with 17.2 miles under contract.

- Constructed 200 miles of road.
- Completed 12 bridges and major culverts.

Capital Improvements for FY 1986:

- Construction of four viewpoints.
- Construction of Iron Creek portal.
- Construction of 16.4 miles of Road 99.
- Construction of 16.5 miles of trail.
- Planning for Coldwater-Johnson complex and other projects.

The FY 1987 President's budget provides for $4,900,000 in recreation construction, primarily for rehabilitation and reconstruction of existing facilities throughout the National Forest System. There is no recreation construction funding provided for Mount St. Helens National Volcanic Monument.

The table on page 236 shows reductions in overhead and increases in construction.

159. Question: Is there a reason for these shifts?

Answer: Yes, there are valid reasons for the shifts in funds; however, background on the development and use of the forest road program fund breakdown is relevant.

FY 1987 is the second year in which the forest road program fund breakdown has been displayed in the FY 1987 Budget Explanatory Notes of the Forest Service. The format of the breakdown was developed, in conjunction with the General Accounting Office, at the request of the Senate Appropriations Committee, to enable better evaluation of the Forest Service's road construction program budget requests and to monitor and evaluate its accomplishment. The Forest Service also saw this as a positive and helpful way of displaying its budgetary needs.

First, and most important to understanding shifts in funds between the President's budget, allocated, and end-of-year obligations, is the fact that the forest road program is ancillary to the principal resource programs such as timber or recreation. It is not and cannot be a unilateral program.

Second, and because the road program is ancillary, road program formulation is integrated and dependent upon the levels of output or activity desired, anticipated or directed in the supported resource programs (i.e. timber, recreation).

Both the General Accounting Office (B-214182, February 14, 1984) and the Forest Service anticipated, and recognized, the need to make ". . . necessary adjustments for unseen developments, changing requirements, incorrect price estimates, wage rate adjustments, changes in internal situation, and legislation enacted subsequent to appropriations." At the same time, the Forest Service is keenly aware of the need to "keep faith" with the Congress and with congressional intent.

Annual program formulation is initiated by Forests and Regions 20 months in advance of the budget year and is based on overall resource program direction and policy. Several program levels are developed within an overall funding constraint for each level. Forest and Regional managers determine the level or amount of transportation development necessary to support the resource outputs projected at each level. Because the activities (such as planning, locating, surveying, and designing) within transportation development cover a 3-5 year period, the data used in the formulation is programmatic (total engineering support dollars and miles or new construction dollars and miles, as an example) rather than specific project level detail, since final costs and specific projects are in various stages of completion. Any refinement of costs beyond this level of estimating would be guesswork and not cost effective. When a program level is finally selected, that is the data which appears in the Budget Explanatory Notes (which is normally presented 9 months prior to the beginning of the Budget Year).

During the period after the Budget Explanatory Notes appear (and prior to Congressional action), each Forest Service Region updates its plan of work based on its tentative overall allocation. This update reflects their latest estimates for the work, plus any changes such as claims, modification of timber sale boundaries, appeals, or public input.

This update, plus changes directed in the appropriations bill or furthering resolution, are what appear in the "Allocated Based on Appropriation" column of the Budget Explanatory Notes for the previous fiscal year (in this case, FY 1986).

Events and actions precipitating change from President's budget request to allocation based on appropriation for FY 1986:

- Federal Timber Contract Payment Modification Act

  President's Budget

  Assumption - 10.6 billion board feet to be returned.

  Actual - 9.7 billion board feet returned.

  Allocation based on appropriation

  Assumption - 2.6 billion board feet to be reoffered in FY 1986.

  Actual - 3.25 billion board feet reoffered.

- Congressionally directed reduction of $7.6 million in the timber sales program

  President's Budget

  Assumption - No reduction anticipated

  Actual - $7.6 million decrease.

- Congressional increase in recreation facility rehabilitation

  Recreation facility rehabilitation program increased by $4.5 million.

  Assumption - No additional road reconstruction anticipated.

  Actual - An additional $1.3 million road reconstruction work required to support Forest Service selected projects.

- Congressional direction to construct roads within Clear Creek Recreation Area (Alabama)

  Assumption - No "add-ons"

  Actual - $1.4 million increase in new road construction (before Deficit Control Act of 1985)

- FY 1985 final estimated end-of-year obligations in forest road program fund breakdown activities

  Since this is the best experience record, "allocations" are modified to reflect current and expected costs.

  Example: Overall full-time employment estimated at 4,000 for 1985, actual reported was 3,711.

- Congressional direction to limit total road construction and reconstruction to 7,682 miles for all three programs: Forest Roads, Purchaser Credit, and Purchaser Elect.

  Assumption - No limitation on miles needed to sustain 10.7 BBF output in timber volume in outyears.

  Actual - Total mileage limited to 7,682, timber harvest volume 11.2 BBF in FY 1986 expected.

- Congressional direction to reduce overall road construction and reconstruction unit costs by 5 percent from FY 1985 by whatever means.

  Assumption - Overall average unit costs (after inflation) were declining at a satisfactory pace. No program changes needed.

  Actual - Required 5 percent overall unit cost reduction. Shift projects, defer and modify contracts, modify proposed expenditures, all necessary to accommodate unit cost reduction and maintain capability to sustain outyear timber volumes at 10-12 BBF.

  All of this was undertaken prior to the additional reduction of $8 million in the Forest Road Program directed by the Deficit Reduction Act.

- Dismissal of law suit filed by the National Wildlife Federation which had the potential to stop road construction in Montana and northern Idaho. (This is a more recent action.)

  Assumption - Road construction would be deferred where legal question was unsettled.

  Actual - Road construction may proceed where National Environmental Policy Act (NEPA) procedures have properly been completed at Forest Level.

Since there has been significant interest and concern about the changes, we have recently asked our Regions to reaffirm and/or correct the data which is used to construct the "allocated" fund column of the forest road program fund breakdown which appears in the Forest Service Budget Explanatory Notes (page 236).

The revisions to the FY 1986 allocation and 1987 President's Budget to those listed on page 236 of the Explanatory Notes follows:

FY 1986
(dollars in thousands)

| | President's Budget Request | Allocated Based on Appropriation | Allocation Adjusted for DCA 4.3% | Allocation Update May 15, 1986 | Difference Between Allocation Adjusted and Update + or - | |
|---|---|---|---|---|---|---|
| PCP and PEP | (213,211) | (130,796) | (129,781) | (117,817) | -(11,964) | 1/ |
| FRP Engineering: | | | | | | |
| Planning and Management | 36,049 | 32,151 | 30,769 | 37,706 | 6,937 | 2/ |
| Preconstruction engineering | 54,495 | 46,125 | 44,142 | 42,679 | (1,463) | 3/ |
| Construction Engineering | 23,854 | 23,254 | 22,254 | 22,133 | (121) | 3/ |
| Subtotal | 114,398 | 101,530 | 97,165 | 102,518 | 5,353 | |
| PCP and PEP Augmentation | 7,010 | 5,745 | 5,498 | 2,873 | (2,625) | 4/ |
| Subtotal | 7,010 | 5,745 | 5,498 | 2,873 | (2,625) | |
| Forest Roads and Bridges Constructed by the Forest Service | | | | | | |
| Planning and Management | 16,207 | 22,381 | 21,419 | 21,007 | (412) | 2/ |
| Preconstruction Engineering | 10,528 | 7,835 | 7,498 | 7,791 | 293 | 3/ |
| Construction Engineering | 7,018 | 6,687 | 6,399 | 5,770 | (629) | 5/ |
| Construction | 24,493 | 30,142 | 28,846 | 20,679 | (8,167) | 6/ |
| Reconstruction | 15,908 | 13,885 | 13,287 | 20,677 | 7,390 | 7/ |
| Subtotal | 74,154 | 80,930 | 77,449 | 75,924 | (1,525) | |
| TOTAL | 195,562 | 188,205 | 180,112 | 181,315 | 1,203 | 8/ |

## FOREST ROAD PROGRAM FUND BREAKDOWN - FY 1986
## ALLOCATION UPDATE MAY 15, 1986

Explanation of adjustments and changes between Allocation Adjusted for Deficit Control Act and Allocation Update of May 15, 1986.

### GENERAL

I. The Allocation Based on Appropriation (Column 2) was prepared at the Washington Office level using:

1. Regional program data based on an August 1985 update.

2. Reported FY 1985 actual expenditures data (December 1985).

3. Congressional direction (December 19, 1985):

   a. Decrease road unit costs from FY 1985 approved program by 5 percent nationally and in each Region.

   b. Limit total road construction and reconstruction mileage to 7,682 miles.

   c. Decrease support to the timber program by $7.6 million.

   d. Construct Clearcreek Recreation Area Roads (+$1.4 million).

   e. Increase timber sale reoffer volume from 2.6 billion board feet (BBF) to 3.22 BBF (all increases in Washington and Oregon).

II. The Allocation Adjusted for the Deficit Control Act (Column 3) was a straight forward prorated -4.3 percent reduction in each item listed in the FRP fund breakdown. This method was employed for the lack of any better data.

III. The Allocation Update of May 15, 1986, (Column 4) reflects an actual update of all data by each Region.

IV. Explanation of Differences (Column 5)

1/ -$11,964. Both reduced mileage and unit cost of construction are reflected in this decrease. This is in accordance with changes in policy and design standards implemented in 1982 and the directed 5 percent unit cost reduction.

2/ +$6,937, -$412. Regions indicate costs of planning support activities and fixed costs cannot be reduced at the rates anticipated by WO program managers.

The estimated total of Planning and Management for PCP/PEP EngineeringSupport and Roads and Bridges constructed by the Forest Service in the update for FY 1986 has been reduced by $4.4 million (7 percent) from the FY 1985 expenditure.

3/ Update of costs. These are final planned adjustments.

4/ -$2,625. Reflects overall decrease in PCP/PEP mileage and unit cost.

5/ -$629. Reflects decreased appropriated construction activity.

6/ -$8,167. There are two major causes for shift from construction to reconstruction.

1. Program amount ($1,843) for the construction of Gaskey-Orleans Roads, Six Rivers National Forest, R-5, has been held up by appeal to Supreme Court. Funds have been shifted to high priority reconstruction projects.

2. The August 1985 program update in R-9 incorrectly displayed the total road construction and reconstruction program ($7,468) as new construction. This is now correctly displayed for R-9 as $3,018 for construction and $2,674 for reconstruction. Reflects updated priorities and reduced fund availability.

7/ Reflects changes (+7,390) and other adjustments as a result of the directed road unit cost reduction and Deficit Control Act decreases.

8/ +$1,203. The difference between the amount appropriated and adjusted for the DCA ($180,112) and the Allocation Update ($181,315) is carryover from FY 1985. The carryover amount was not known at the time publication of the Budget Explanatory Notes in January. This amount (less than 1 percent of the FY 1985 Appropriation) is normal for yearend.

In setting up the FRP Fund Breakdown, GAO directed the inclusion of carryover in Allocated Based on Appropriation.

FY 1987

| | 1<br>President's Budget Request | 2<br>Allocation Update May 15, 1986 | 3<br>Difference Between President's Budget and Allocation Update + or - |
|---|---|---|---|
| PCP and PEP | (169,755) | (124,261) | - (45,494) 1/ |
| FRP Engineering | | | |
| Planning and Mgmt. | 30,603 | 36,646 | + 6,043 2/ |
| Preconst. Engineering | 39,269 | 42,124 | + 2,855 3/ |
| Const. Engineering | 20,892 | 22,546 | + 1,654 4/ |
| Subtotal | 90,764 | 101,316 | + 10,552 |
| PCP and PEP Augmentation | 4,341 | 4,191 | - 150 5/ |
| Subtotal | 4,341 | 4,191 | - 150 |
| Forest Roads and Bridges Constructed by the Forest Service | | | |
| Planning and Mgmt. | 23,618 | 18,661 | - 4,957 6/ |
| Preconst. Engineering | 8,404 | 7,123 | - 1,281 7/ |
| Const. Engineering | 5,849 | 4,663 | - 1,186 8/ |
| Construction | 25,405 | 24,208 | - 1,197 9/ |
| Reconstruction | 20,104 | 18,323 | - 1,781 10/ |
| Subtotal | 83,380 | 72,978 | - 10,402 |
| TOTAL | 178,485 | 178,485 | 0 |

FOREST ROAD PROGRAM FUND BREAKDOWN - FY 1987
PRESIDENT'S BUDGET - TENTATIVE ALLOCATION UPDATE

Explanation of adjustments and changes betweeen the President's Budget and Tentative Allocation update of May 15, 1986.

I. The President's Budget, as displayed on page 236 of the Budget Explanatory Notes, was prepared at the Washington Office level using:

   a. Regional data to support a timber sales offer level of 10.0 BBF.

   b. Direction from OMB to reduce the Forest Road Program by $20 million without reducing the timber offer level of 10.0 BBF.

II. The Tentative Allocation represents the aggregate of individual Regional updates reflecting FY 1986 allocations and the reduced (from planned and proposed) Tentative FY 1987 allocation totals.

III. Explanation of differences between FY 1987 President's Budget and distribution of FY 1987 Tentative Allocations by Regions.

1/ -$45,494. Reflects most up-to-date mileage and unit costs. Change in Region 10 purchaser credit allocation method on long-term sales is significant. Reduction in Region 10 is approximately $24 million.

2/ and 6/ +$6,043 and -$4,957. Represents difference of "best estimate" by the Washington Office and Regions.

The sum of planning and mangement for both PCP/PEP Engineering Support and Roads and Bridges construction by the Forest Service in the tentative allocation is $1,086 (2 percent) over the 1987 President's Budget estimate. This means the rate of decline of Planning and Management costs anticipated by the Washington Office is slightly higher than can actually be accomplished by Regions.

The difference in distribution of planning and management costs between Engineering Support and Forest Roads and Bridges is simply differences in judgment as to benefitting activity.

3/ +$2,855. Increase in regional estimate represents update of data almost 16 months old. The Washington Office overestimated amount which would be cut as a result of reduced allocation.

4/ +$1,654. Sames as response 3/.

5/ -$150. Shifts between Regions. Overall, no significant changes.

6/ -$4,957. See response 2/.

7/ -$1,281. Reflects decreased appropriated construction planned.

8/ -$1,186. Reflects decreased appropriated construction.

9/ -$1,197. Reflects unit cost reductions.

10/ -$1,781. Reflects unit cost reductions.

160. Question: Please go back to prior year tables and explain the discrepancies, over a 5-year period.

Answer: As outlined in our response to question 159, the changes between the President's budget, allocated based on appropriation, and end-of-year obligations are not "discrepancies," but rather necessary changes based on congressional direction, revised estimates, etc.

Since both the General Accounting Office and the Forest Service did not anticipate the high degree of interest in the changes, which are within the Chief's authority, no history has been maintained.

161. Question: Last year, you were instructed to accomplish a 5% reduction in road costs. Did you achieve that? What did you cut to achieve it? (Was engineering a part of that cut?).

Answer: We have not yet achieved the 5% reduction in road costs. The Congressionally directed reduction in road construction unit costs was received with the Forest Road Program appropriation for FY 1986. The unit cost reduction is to be measured against the FY 1985 approved program. Therefore, we will not have the final results until the end of FY 1986. In the interim, we have set up "target" unit costs for each Region, as well as nationally. Since each Region has "target" unit cost, no specific item was designated for cost cutting.

## NET RECEIPTS PROPOSAL

It seems that the net receipts proposal assumes that the Federal government is entitled to all of the revenues off of NFS lands, but the Federal government will give local units of government some of it.

162. Question: What is the logic that supports the net receipts proposal?

Answer: The logic is based on the corporate business principle of sharing profits with shareholders. Dividends are paid from net revenues, which are those revenues after costs are deducted.

The other alternative is to take those lands out of Federal ownership and have the local unit of government keep all the revenue, or have a private owner do the development and pay the Federal government via taxes.

163. Question: How else could this be explained?

Answer: Whoever administers these lands should consider recovery costs before they share receipts with anyone. Such "largesse" cannot be continued given today's financial constraints. It must be kept in mind that the Payments in Lieu of Taxes Act, P.L. 94-565, provides a guaranteed payment which must be paid to units of local government in which entitlement lands are located. By this Act, Congress has assured States and Counties a stable level of financing which will not fluctuate in spite of annual changes in federal revenues.

Providing both Payments in Lieu of Taxes and receipts sharing, acts as a disincentive to Federal investment in the National Forests. It will be increasingly difficult to justity an adequate timber sales program, for example, if the receipt sharing payments continue to cause the program to run a net loss for the Treasury. In the long term, this will have a negative effect on the economic development of many of the counties which oppose any change in the current legislation.

## DCA RULING FROM GAO

164. Question: Have you reached a resolution yet with OMB and GAO over several sequestration issues, including reestimates of receipt accounts and whether or not funds obligated before December 10, 1985 could be sequestered?

Answer: We have resolved the sequestration issue with OMB and have made payments in the amount of $5,900,000 to the National Grasslands Counties. Since the Payment to Minnesota and the Payments to States from the National Forest Fund were made in their entirety before the Balanced Budget and Emergency Deficit Control Act was enacted, the entire sequester for this budget account of $9,788,000 for all Forest Service receipt sharing payments is being withheld from the National Grasslands payments. In accordance with section 256(a)(2) of that statute, the sequestered funds will be paid to the counties on October 1, 1986. Should there be a sequester order covering FY 1987, all three receipt sharing programs will be reduced by the same percentage.

165. Question: Will the 4.3% cut be applied evenly to receipt payments, such as the 25% fund and the grasslands payment? How much are the counties receiving for the grasslands payment?

Answer: See answer to Question 164.

## QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

### STATE AND PRIVATE FORESTRY

Under the "State and Private Forestry" segment of your budget request, I note a 57% reduction compared to 1986. A significant part of these reductions are in the areas of forest pest management and seedling production.

166. Question: How will the reduced level of funding for pest suppression impact efforts to control the pine beetle problem we have in Mississippi?

Answer: Reduced funding levels for pest suppression will impact efforts to control the pine beetle problem in Mississippi by focusing suppression on the highest priority suppression needs for Federal lands. These are large, damaging infestations in high-value stands. Suppression of smaller, less damaging infestations in lower-value stands will be deferred. Suppression will be considered for infestations on State and private lands only when they are intermingled with Federal treatment areas.

Preliminary results show a large number of acres which were bid into the Conservation Reserve. Landowners in Mississippi bid approximately 55,000 acres with the stated intention to plant pine trees.

167. Question: With this major new initiative and demand for seedlings, why does the Forest Service propose to reduce the seedlings, nurseries, and tree improvement program?

Answer: Funding for seedlings, nurseries, and tree improvement has been eliminated in anticipation that States will be able to meet the increased demand.

168. Question: Will there be an adequate supply of seedlings for the Conservation Reserve program, and where will they come from?

Answer: State nurseries, which will be the main providers of seedlings, may get some relief from private and industry nurseries. Additional seedling demand could cause problems as higher production rates force State nurseries to use extra capacity and depart from nursery bed rotation cycles of rest, soil rehabilitation, fumigation, and other good management requirements. Since the Conservation Reserve will result in an increase in demand for seedlings during a relatively short period of time, we would expect that many State and private nurseries will stretch their current facilities rather than making large capital investments in new land and equipment that would not be needed on a sustained basis.

### PAYMENTS TO STATES

The budget request proposes to change the method previously used in paying States 25% of Forest Service receipts from timber sales. I note these changes would require new legislation and, if approved, would reduce payments to States from $309.7 million to $84.9 million. In Mississippi, the school districts in particular, are dependent on this traditional source of revenue.

169. Question: What is the timeframe for this proposed new legislation and, assuming this change was approved, would you propose to transition gradually into this approach so as to reduce the adverse economic impact?

Answer: New legislation has cleared OMB and is ready for introduction in May 1986. If enacted before October 1, 1986, as proposed, then the change would be effective with FY 1987 payments.

170. Question: Specifically, to what extent will funds being paid to Mississippi units of government be reduced by this proposed change?

Answer: It is not possible to provide a specific estimate at this time because some details on which costs to include are still being worked out and because of the large falloff in gross receipts in Mississippi, due to the saturation of the timber market with trees killed by the southern pine beetle. On a national basis, the reduction in payments would be over 70 percent. Mississippi should fare somewhat better because of lower costs than prevail in some of the more mountainous and less well roaded forests in the West, but the reduction in payments will still be substantial.

## QUESTIONS SUBMITTED BY SENATOR DENNIS DECONCINI

### FOREST SERVICE FIELD OFFICE ADMINISTRATION AND CONSOLIDATIONS

It is my understanding that the Southwest Regional Office has under consideration several consolidation alternatives that could have direct impact upon the Prescott and Kaibab Forest Supervisors Offices. Depending upon which alternative is chosen, the impact on these two communities could range from significant to disastrous. As you may know, Williams, Arizona (location of the Kaibab Forest Supervisors Office) is a very small community, making the Forest Service one of the area's major employers. While Prescott is a larger community, the loss or significant curtailment of that office would also be a major blow.

171. Question: At what stage are these plans? Has any official communication regarding these plans been issued to the employees in the affected offices?

Answer: The Chief of the Forest Service directed the Regional Forester to identify opportunities in Arizona to reduce costs and optimize public service at the lowest cost, at which time a 5-member team was selected to conduct the study. The Regional Forester has reviewed the report entitled "Arizona National Forests Organization Review" and is analyzing comments received in letters and in his own personal meetings with employees, community leaders and representatives of the Arizona Congressional delegation. He is presently formulating his recommendation to the Chief of the Forest Service.

From August 1985 through February 1986, there have been 28 separate meetings with employees and all have had an opportunity for verbal or written input.

172. Question: We have been informed that many of the people who would be most involved in the reorganization have not been able to contact the Regional Forester directly, with most phone calls to his office not being returned. Is that accurate? What can be done to assure that these concerns are addressed?

Answer: Regional Forester Muniz is not aware of any instance where anyone has called him and has not received an answer. He is available to discuss the Arizona study with any concerned employee.

I understand that the basis for the proposed reorganization is to maintain on-ground services in the face of Gramm-Rudman. Every other forest in the Region is under the same budgetary constraints.

173. Question: Why is it, then, that the Forest Supervisors in every other forest in the region have been able to decide where the cuts need to be made in their respective operating budgets, while the Regional Forester has decided which cuts need to be made in the Prescott and Kaibab forests?

Answer: In April 1984, the Region proposed an action plan in response to the Federal Field Structure Review. In this plan, the possibility of eliminating a Forest Supervisor's Office in Arizona and New Mexico was agreed to by all Forest Supervisors. When the Interchange proposal came during 1985, the possibility of accomplishing this action item was realized. Because of negotiations with the Arizona Congressional delegation, Chief Peterson directed that Arizona be studied separately.

All six national forests in Arizona have been studied and four were recommended for consolidation. All eleven national forests in the Region have responded to the current downward trend in budget direction and therefore, the Prescott and Kaibab have not been singled out for special consideration.

The savings resulting from the reorganization of the Prescott and Kaibab National Forests are projected to account for 22% of all savings in the Region over the next three years.

174. Question: Why have these forests been singled out to carry such a large portion of the savings?

Answer: The reorganization proposed affects the Tonto and Coconino National Forests, as well as the Kaibab and Prescott National Forests. Therefore, four of the six Arizona forests are affected. The result is the consolidation of National Forests' administration and not the elimination of any National Forest. The required savings in the Region for FY 1988 is projected to be $18,529,000 below FY 1986. The consolidation of the administration of these four forests will result in reduced overhead expenditures of $1,539,000 in FY 1988, contributing 8 percent of this projected savings need as a result of the proposed reorganization.

Since FY 1980, Arizona forests have faced reductions from 14.7% to 40.1%, while the Regional Office has actually received a slight increase during this period.

175. Question: Could you please explain why this has been the case?

Answer: From FY 1980 to FY 1986, the Regional Office operating budget has increased a total of 1.3%. The majority of the cost of running the Regional Office is salaries of personnel who provide guidance and leadership to the eleven national forests in the Region. Many forests do not have a workload to justify a full year of a person's time, but need the expertise, none the less. Because of this, a specialist will often be based in the Regional Office, but their actual job is to provide service to several forests. Included in these jobs are soil scientists, law enforcement officers, logging engineers, fisheries specialists, and communication specialists. For FYs 1986-88, the Regional Office is expected to reduce its budget by 17.5% and to reduce staffing by 45 person years.

I understand that your consolidation plans affect primarily the State of Arizona with little impact being felt on New Mexico, a state that also comprises a large part of the region.

176. Question: Could you tell me why Arizona has been so unfortunate as to receive all of your attention on this issue?

Answer: The Region looked at itself as a whole during the Federal Field Structure Review of 1984 and formulated an action plan which included looking at consolidating a Forest Supervisor's office in each state. When the Interchange proposal is implemented, the Cibola National Forest Supervisor's Office will be abolished and the ranger districts remaining under the jurisdiction of the Forest Service will be managed by three other national forests. The study of Arizona's forests separately from Interchange came at the request of Congressman Stump and Senators Goldwater and DeConcini.

177. Question: What criteria will you use to choose among the various alternatives?

Answer: Regional Forester Muniz has used the following criteria to analyze all of the input he has received:

Forest Service Resource and Public Service Responsibilities

- reduction of duplicated overhead costs
- management efficiency
- recurrent workload distribution

Forest Service Administrative Management Responsibilities

- effect on employees
- economic effects on communities
- public access to the Forest Service

178. Question: Do you intend to consult with this Senator and the Arizona Congressional delegation before making any final decisions?

Answer: The Chief of the Forest Service plans to continue the consultation process with the Arizona Congressional delegation before making a final decision.

179. Question: Is it a foregone conclusion that some form of consolidation is necessary?

Answer: Since 1980, and even before the advent of Gramm-Rudman-Hollings, Region 3 has seen its funding reduced by 19.5%. The majority of these cuts have been at the District Ranger level and so every opportunity to reduce overhead in supervisors offices and in the Regional Office must be explored. It is not a foregone conclusion that a consolidation will take place, but consolidation is a tool used to see that more money reaches the Ranger District level.

180. Question: What would be the impact of leaving the office structure the way it is presently?

Answer: We would lose the opportunity to save as much as $18,000,000 in overhead costs over a 10-year period. This is money which could be redirected to on-the-ground management.

181. Question: What are the maximum savings that you expect to realize by taking these moves?

Answer: Dependent upon which alternative is selected, we can save as much as $18,000,000 over a 10-year period.

182. Question: What impact will the proposed BLM/Forest Service Interchange have on your consolidation plans?

Answer: The Interchange proposal would accomplish one consolidation in New Mexico. The Interchange has no connection with the Arizona Study, other than it was the driving force behind its inception.

183. Question: Will the consolidations go forward regardless of whether or not the Interchange legislation is passed?

Answer: Yes. Consolidation of one Forest Supervisor's Office in each State was a goal of the Federal Field Structure Review of 1984 and is still a valid goal.

## CONSTRUCTION

I note the Forest Service budget for forest road construction is being reduced by $9.72 million; forest trail construction by $2.06 million; and recreation use construction by $6.00 million when compared to the FY 1986 appropriations. This is on top of significant reductions in 1986 over FY 1985 levels. At the same time, recreation and use demand on our forests are increasing.

184. Question: What will be the long-range impact on the nation's forests of this dramatically lower level of road, trails, and recreation use construction?

Answer: In recent years, most of the recreation related road, trail, and recreation facility "construction" has really been reconstruction to restore them to a useable condition. Lower budgets for these reconstruction or rehabilitation activities will mean some loss of capital investment and ultimately closure of facilities unsafe, unuseable, or causing unacceptable damage to the adjacent environment.

185. Question: Please provide a listing of road, trails, and recreation use construction that will be undertaken in Arizona's forests in FY 1987.

Answer:

Road Construction

| Forest | Project | Length/Miles | Dollars |
|---|---|---|---|
| Apache-Sit. | FDR 300, Reconstruction | 2.5 | 200,000 |
| Coconino | FDR 82, Young's Canyon Reconst. | 0.5 | 50,000 |
| | | | $250,000 |

Trails Construction

None

Recreation Construction

| | | | |
|---|---|---|---|
| Tonto | Water Users Parking Area | | 150,000 |
| | | | $150,000 |

186. Question: If funds were available, what major road, trails, and recreation use construction projects could be undertaken in Arizona in FY 1987 that are not now funded or are funded at a minimal level?

Answer: If funding were no problem, we estimate that the Arizona forests could absorb about $10.4 million in additional road construction, $0.3 million in additional trail construction, and $0.4 million in recreation construction. However, funding is a problem. All National Forests could spend more funds on activities that are at least somewhat useful, and all USDA agencies could probably spend additional funds. The issue is that such expenditures are not critical and, if the Federal deficit is to continue to be reduced, we must look for as many spending reductions as possible.

Last year, the Congress earmarked $400,000 in your construction budget to replace a suspended footbridge over the Verde River known as the Sheep Bridge.

187. Question: Could you update the Committee on the status of that project?

Answer: We have completed the engineering site survey and preliminary design concepts for replacing the bridge. We plan to complete our public involvement on the design criteria by May 15, 1986. By July 15, we will have prepared a contract for designing and constructing the bridge and we will have started our contract advertisement process. Our archaeological documentation of the existing bridge is to be completed by September 1.

188. Question: When do you expect to complete the work on the Sheep Bridge and open the bridge to the public again?

Answer: We expect to have the bridge completed and open to the public by March 1, 1987.

189. Question: In its present condition, do you consider the Snow Bowl road in the Coconino National Forest to be safe to traverse and in adequate condition to meet the uses for which is is intended?

Answer: In its present condition, Snow Bowl Road is substandard for the use it receives. The road should be a double-lane road to adequately handle the traffic. In some locations, it is only 18 feet wide which is too narrow for two lanes of traffic and there are some curves in the road which are too sharp to meet our standards for a double-lane road.

190. Question: Have funds been earmarked in the 1987 budget for reconstruction activities on Snow Bowl Road? If not, why not?

Answer: The total cost of Snow Bowl road in comparison to other roads was prohibited in the FY 1987 Forest Road Program. The combined total of all recreation and general purpose road construction in the FY 1987 President's budget is $4.66 million. The estimated cost of the Snow Bowl Road alone is $5.28 million.

191. Question: Have other funding alternatives such as cost sharing with the ski area owner been explored? Would such an approach be feasible and permissible within existing law?

Answer: Cost-sharing with the State or with the State and the permittee has been discussed and is worthy of consideration. We are familiar with several instances where a State has improved a road to a ski resort similar to Fairfield Snow Bowl Ski Area. In at least one case, the improved road has enabled the ski area to increase use to the point where sufficient additional tax revenue to the State justified the road improvement.

There are no known legal obstacles to cost-sharing. The timing of funding could pose a problem.

192. Question: What about developing Snow Bowl road as a toll road? Would that be feasible and permissible? If not, why not?

Answer: The Forest Service is prohibited from charging the public for the use of the Snow Bowl road according to Section 301 of Title 23, United States Code which requires Forest Highways and Forest Development Roads to ". . . be free from tolls of all kinds."

## COOPERATIVE LAW ENFORCEMENT

I note that a total of $2.45 million has been requested for the Cooperative Law Enforcement Program, of which all but $450,000 goes to the cannabis program. The net effect would be the virtual elimination of the rest of the program.

193. Question: Why were funds not included in the request to maintain this program (except for the cannabis portion) at an adequate level?

Answer: Local law enforcement is primarily a local responsibility. However, the remaining funds ($450,000) will be used to maintain a minimal program in those most remote areas on the National Forests where costs of protecting the public and their property are the highest in the National Forest System.

Your budget statement acknowledges that in many cases the number of visitors to the National Forest equals or greatly exceeds the resident population of the counties, creating greater costs for protecting the visiting public than could normally be born by the local jurisdiction.

194. Question: How do you propose that these services be provided with the level of funding that you have requested?

Answer: The counties receive payments in lieu of taxes which partly compensates the counties for the services the public demands on Federal lands. They also receive tax revenues generated by sales and other economic activities associated with out-of-county visitors to the National Forests.

195. Question: If the local tax base is simply not sufficient to make up the difference, do you propose that the laws simply not be enforced?

Answer: No. It is anticipated that local county governments can program funds from payments in lieu of taxes to compensate for the loss of these other funds.

196. Question: Have you taken into consideration the potential increased costs over the long run that could result due to more vandalism, forest degradation, etc.?

Answer: We are optimistic that the potential for an increase in vandalism, etc., will not occur. We plan to maintain a program in these most remote and problem areas to augment our own law enforcement efforts.

197. Question: To what extent might these increased costs offset any savings resulting from cutting the Cooperative Law Enforcement program?

Answer: We have no information to substantiate any increased costs by reducing the Cooperative Law Enforcement program.

## FOREST RESEARCH

All of the major watersheds in Arizona are located in National Forests. These watersheds and their management are critical to an arid state like Arizona. Within that context, I am concerned about the overall decline that has occurred in the various research programs in this area over the last several years.

198. Question: Within the $14.8 million requested for watershed management and rehabilitation research, what amount would be allocated to research in the area of increasing water yields from National Forest watersheds? What projects would those funds be used for?

Answer: The FY 1987 President's budget includes $785,000 for research on increasing water yield, distributed as follows:

| | |
|---|---|
| Ft. Collins, CO | $340,000 |
| Tempe, AZ | $260,000 |
| Oxford, MS | $185,000 |

At Tempe, AZ the funds are committed to research on how to manipulate chapparral vegetation to augment water yield. These research results are equally applicable to all similar landscapes regardless of ownership. An additional $165,000 will be used by Ft. Collins, CO to continue economic evaluation of increased water yield from vegetation manipulation in the Central Rocky Mountains.

199. Question: What is the state-of-the-art in the area of vegetation manipulation to increase water yields, such as has been demonstrated on the Beaver Creek Watershed Project on the Coconino National Forest?

Answer: On October 28, 1985, a task force with representatives from the Forest Service, Universities in Arizona, and the Arizona Water Resources Committee released their findings on augmentation of water yield. They concluded:

1. Basic research has adequately quantified the potential for yield increase in all four vegetation types, selected soil types, and has identified techniques for achieving it.

2. Additional monitoring is desirable for determining effects of regrowth and/or sustaining water yield increases and to calibrate water yield increase models.

3. Operational application of vegetation manipulations, particularly in chaparral, require further research to develop a strategy for dealing with the nitrate issue and to define the role of herbicide application in chaparral management.

4. Major limitations to application of technology are primarily related to economics. The question of returns to the U.S. Treasury and dependable market for materials are the foremost questions.

5. Decisions regarding land allocation are currently in the process of being resolved by forest plans.

6. Stand specific timber management is just beginning, but offers the likelihood of improved prescriptions that will be more responsive to all resource needs.

7. Incentives for other land ownerships to become involved in beneficial resource management are are not currently available.

8. More exacting resource inventories are needed that would quantify key variables controlling water yield and related resource concerns and would allow a more accurate assessment of water in establishing management targets.

9. Watershed research should emphasize: analysis of streamflow in relation to storm hydrographs, developing strategies for managing chaparral, further investigations on potential of water yield increases on sedimentary soils, and basic erosional work on pinyon-juniper and chaparral.

10. Study further the question of instream transport losses, losses at low elevation lakes, and adequacy of reservoir capacity to capture and utilize increased yields.

200. Question: Is further research required in this area?

Answer: As is described in the answer to the above question, Forest Service research has adequately quantified the potential for water yield increase in all four vegetation types, for selected soil types, and identified the techniques for achieving the yield increase. The higher priority issues that remain are being addressed by the Research Work Unit at Tempe, AZ. We do not feel that additional research beyond what is already being conducted by this unit is needed on this issue at this time.

201. Question: Is the vegetation manipulation process one that you plan to incorporate in your future watershed and timber management programs? If not, why not?

Answer: The National Forest System is currently incorporating the research results into its management plans.

202. Question: Are any research funds included in your FY 1987 request for further work on the Beaver Creek Watershed Project? What amount? For what purpose will they be used?

Answer: Forest Research funds are not included in the FY 1987 budget for the Beaver Creek Watershed Project. We feel that we have already developed a significant body of research information on water yield from the Beaver Creek Watershed Project. The remaining high priority research topics are being adequately addressed by the Research Work Unit at Tempe, AZ. Redirection of research funds to the Beaver Creek Watershed Project would come at the expense of much higher priority watershed research, such as developing guidelines for using prescribed fire to manage chaparral watershed, research on erosion process and rates in chaparral and pinyon-juniper vegetation type, and effects of manipulating high density chaparral vegetation on water quality and quantity.

## FOREST PLANS

Your Southwest Region recently completed its proposed Land and Resource Management Plan for the Coconino National Forest.

203. Question: Do you endorse the preferred alternative as presented in that Plan?

Answer: The responsibility for selection of a preferred alternative in the forest plan rests with the Regional Forester. The Washington Office reviews the forest plans prior to publication for procedural and administrative compliance, not for endorsement of the preferred alternative.

204. Question: What is the total amount requested for the Coconino National Forest for FY 1987?

Answer: The total amount requested in the FY 1987 President's budget was $9,215,951, which does not include such programs as purchaser credit, etc. This is 70 percent of the total budget estimated to accomplish the proposed action in the preferred alternative.

205. Question: Is the amount requested for FY 1987 sufficient to begin operations following the preferred alternative?

Answer: The amount is not sufficient to begin operations to accomplish the preferred alternative.

206. Question: If the amount requested is not sufficient, what additional amount would be required?

Answer: The total estimated amount of appropriated funds needed to accomplish the proposed action under the preferred alternative (i.e., 100 percent accomplishment) is $13,166,000. Therefore, an additional $3,950,000, or 30 percent would be needed. The Forest can begin implementation of the preferred alternative within the level requested in FY 1987. However, some scheduled projects would have to be delayed until later in the planning period.

207. Question: Is the amount requested for the recreation areas sufficient to begin operations following the preferred alternative? If not, what additional amount would be required?

Answer: The amount requested for recreation areas is not enough to accomplish the recreation job described in the proposed forest plan. The additional amount required is estimated to be $151,000 ($645,000 estimated minus $495,000 requested), which does not include wilderness or cultural resources management. This total level, however, is still subject to change between the draft and the final forest plans, depending on public comments, etc.

208. Question: What is the status of the Forest Plans for the other National Forests in Arizona?

Answer:

| National Forest | Draft Forest Plan/EIS | End of Comment Period | Estimated Date Final Plan/EIS To Be Filed |
|---|---|---|---|
| Apache-Sitgreaves | 01/13/86 | 05/01/86 | 01/20/87 |
| Coconino | 12/03/85 | 03/31/86 | 12/20/86 |
| Coronado | 07/03/85 | 10/11/85 | 06/15/86 |
| Kaibab | 06/15/86 | 09/30/86 | 05/20/87 |
| Prescott | 12/04/85 | 04/04/86 | 12/20/86 |
| Tonto | 01/18/85 | 04/30/85 | 10/31/85 |

209. Question: Will those plans follow the same format as the Coconino Plan?

Answer: The plans will follow the same format as the Coconino Plan. Since each Forest budget constraint was based on that particular Forest's historic budget allocation, the dollar amounts would be different.

## OPERATIONS AND MAINTENANCE OF RECREATION FACILITIES

I note that you are proposing to utilize $52.0 million in user fee receipts for operation and maintenance of recreation areas and facilities in FY 1987.

210. Question: Since returning to a user fee system will require legislative action, how do you plan to fund these activities if the legislation is not passed or is delayed?

Answer: If the special account for Operation and Maintenance of Recreation Facilities is not established, funding available for the recreation use program would be reduced by $52,000,000. This reduction would result in a majority of our 4,600 campgrounds and other recreation sites such as swimming beaches, picnic areas, and boat ramps being closed.

As established in the FY 1987 President's budget, we will be able to provide about 99.9 million PAOT-Days of managed facility use, down slightly from 104.9 million funded for FY 1986. Emphasis will be on maintenance of the physical plant to slow deterioration of sites and facilities.

211. Question: Is the $52.0 million sufficient to do an adequate job of operation and maintenance in FY 1987? If not, what activities will not receive attention or will only receive minimal attention?

Answer: The FY 1987 President's budget totals $85,742,000 in Recreation Management and Operation and Maintenance of Recreation Facilities. This is adequate to provide 99.0 million PAOT-days.

212. Question: What amount is proposed for operation and maintenance of recreation facilities on Arizona forests in FY 1987? Is that amount sufficient to do an adequate job?

Answer: The National Forests in Arizona are tentatively planned for $3.631 million of the FY 1987 President's budget. This amount is adequate to provide approximately the current level of services.

213. Question: What additional activities could be accomplished in Arizona if additional funding for O&M were provided?

Answer: Additional funding would restore operating seasons at recreation sites, provide needed administration of special-use permits of sites under concessionaire permits, and forestall deferring maintenance of facilities. It would restore recreation management activities away from facilities, such as off-road vehicles (ORV) management, through additional signing, sign maintenance, and public contact by increased patrolling. Such additional funding could be provided under the President's Budget proposal to expand the base of charging recreation fees and returning them to the local forests.

OPERATION AND MAINTENANCE OF TRAILS AND ROADS

Your budget request shows that currently 106,423 miles of the Forest Service road system are usable by modern, low-clearance passenger cars and that 65,227 miles of the system is closed to all vehicle traffic. Under the funding that you have requested, the number of miles open to use by modern passenger cars would decrease to 67,400 miles (a 56% decrease) and the number closed to all uses would jump to 102,000 (a 63% increase). In other words, it appears that you are planning to close down a significant amount of the system.

214. Question: Could you explain why you think this is necessary?

Answer: Please refer to our answer to question 77. The information provided in that answer indicates that the road mileage to be closed will be phased in over time.

215. Question: What kinds of roads will be closed?

Answer: The majority will be low standard local or minor collector roads that were useable only by high clearance vehicles.

216. Question: What impact will this have on the ability of the American public to access their National Forests?

Answer: As explained in our responses to questions 77 and 80, we do not anticipate an immediate impact on the public's accessibility to their National Forests. Over time, we do expect that the ease of access may become less convenient as road conditions deteriorate through a lack of maintenance. Eventually, some vehicle access may also be lost as roads reach an unuseable condition and are closed.

217. Question: What National Forests will be hardest hit?

Answer: We do not have information on the affects to individual National Forests. We do anticipate that all National Forests will be affected in a similar manner. Summaries by Region are provided in our response to question 77.

218. Question: What parts of the road systems in Arizona's National Forests will be closed as a result of this move?

Answer: We do not have this information by National Forest or by State. The summary in our response to question 77, however, does provide this information for the Southwestern Region (R-3). The Southwestern Region includes National Forests in both Arizona and New Mexico.

Your request indicates that even with significant help from volunteers you will have to provide only custodial care for approximately 45% (42,242 miles out of 99,500) of the current trail system. My understanding of custodial care is that in essence the trails would be allowed to deteriorate. Again, it seems that you are planning to shut down a large portion of the system.

219. Question: Could you explain to the Committee why you think this is necessary?

Answer: We recognize the need to reduce budget levels to support the efforts to bring deficits under control. The custodial care referred to is a series of management decisions that determine (1) where priority trail work will occur because of the levels of use, safety problems, or resource damage, and (2) the trails that will not receive the work required to maintain them to standard. In some cases, custodial care will mean that a trail will be closed, in other cases it may mean that the only work done will be erosion control measures, or some other type of work needed to minimize the capital investment loss. It may also mean that the cycle for maintaining a trail will be lengthened from one year to three or more years. In other words, there are several ways to implement custodial care, depending upon the nature of the use, the trail, and the resources involved. While it does not mean that 45% of the system will be shut down, it does mean that the trail experiences received will be more primitive, some of the capital investments in trails will be lost, and the trail backlog will increase.

## STATE AND PRIVATE FORESTRY

Your FY 1987 request again proposes major curtailment of this program, despite the fact that the Congress has on several occasions reinforced its support.

220. Question: Beyond the catchall of deficit reduction (into which everything could be thrown), what are your reasons for continuing to pursue the elimination of this vital program?

Answer: The FY 1987 President's budget is based on the elimination of the Federal forest management and utilization program with total reliance on State and local governments, and the private sector to improve management and utilization of private forest lands. States are expected to continue these activities according to their overall priorities and budget constraints.

## LAND ACQUISITION

I understand that there is a 48-acre tract of land adjacent to the Verde River (that has been designated as a Wild and Scenic River), which provides important habitat for the Gila trout in the area of the Brown Spring.

221. Question: Can you tell me something about this property?

Answer: A portion of the tract lies within the Verde Wild and Scenic River Area, and benefits the Gila trout, a threatened and endangered species. This fish lives in the small stream that begins on the property and flows to the Verde River. The origin of this stream is Brown Springs which emanates on the tract and is essential to the habitat of the fish, although it is not known to habitate the waters on the property. The tract is also within the essential habitat and the recovery area for the Southern bald eagle.

222. Question: Does the Forest Service believe it is important to acquire this 48-acre tract?

Answer: The Forest Service believes that this tract would be a desirable acquisition. However, land acquisition is a postponable function and should be subject to the same scrutiny as other activities. It also reduces the amount of the State tax base which would reduce State revenue. A higher priority must be given to managing existing public lands more efficiently and effectively than by adding to the Federal estate.

223. Question: Who owns the land now and what are the uses of the land?

Answer: The property is owned by Dr. John Moon. The tract is used for a seasonal home. The only buildings on the property are a cottage and a caretakers building. There are 10 to 15 acres that are irrigated and the remainder of the acreage is in pasture. There are two ponds on the tract.

224. Question: What would it cost to acquire this parcel and what steps need to be followed prior to acquisition?

Answer: Our estimate of value is approximately $500,000, although a formal appraisal has not been done for the property. If funds were available for acquisition, the normal steps would be to appraise the tract; make an offer to the owner; and, if accepted, purchase the tract following congressional review. Funds could be made available by reprogramming current unobligated balances with the Land Acquisition account.

225. Question: Is there a willing seller?

Answer: We understand that the current owner is interested in selling the tract.

### Questions Submitted by Senator Mark O. Hatfield

### ROAD CONSTRUCTION

Last year, this Committee directed that the Forest Service achieve a 5 percent reduction in the unit cost of road construction; either from actual construction, or from administration and engineering in support of the road program.

226. Question: Do you have a report for this Committee on the forest-by-forest savings in the road building program?

Answer: The unit cost reductions have been "targeted" by Region rather than individual Forests. At this point in time, all Regions have indicated that they will achieve the target. We will not have this data until the end of FY 1986, since that is the fiscal year in which the reduction was directed.

On page 236 of the Forest Service FY 1987 budget justification, a table displays the breakdown of the Forest Road Program by Purchaser Credit (PCP) and Purchaser Elect (PEP) road construction by what we refer to as the "hard money" forest roads. My question is with regard to the proposed reduction in planning and preconstruction for purchaser credit roads in the FY 1987 budget.

227. Question: Since this preconstruction and planning money is in support of future timber sales, are we to assume that you are planning to reduce the timber sales level in future years commensurate with this reduced level for roads? Or are these reductions the results of the unit cost savings requested by the Senate?

Answer: The forest road program is ancillary to the timber program, not the other way around. The estimate of $90.7 million, in support of timber sales, is based on prior year expenditures, the 10.0 BBF offer level, and the 2.6 BBF reoffer which is included. Our effort to reduce overall expenditures in the forest road program as directed by the Senate is also a factor.

Because transportation development activities cover a 3-5 year period, an outyear timber sale offer level of 10 BBF is assumed. However, outyear costs will probably increase due to the depletion of timber sale reofferings where transportation facilities are already complete.

### REFORESTATION LABOR PRACTICES

In recent years, there have been repeated allegations of severe labor standards problems and repeated complaints of unfair competition on Federal reforestation contracts. I understand that the Forest Service has taken strong and genuine measures to help reduce these abuses.

228. Question: Are there any areas where the Forest Service may lack enforcement authority in these situations?

Answer: The Forest Service is not charged with the enforcement of the Service Contract and the Contract Work Hours and Safety Standards Act, as they are under the jurisdication of the U.S. Department of Labor (DOL). There have been incidents of contractors hiring undocumented workers. Investigation of such incidents are under the jurisdiction of the Immigration and Naturalization Service and the Border Patrol. Our lack of jurisdiction is not inappropriate because our contracting officers do not have the expertise nor the time to conduct investigations of violations and prosecute offenders. Our contracting officers ensure contractors are aware of their responsibilities and that contractors' employees are made aware of their legal rights under the labor laws applicable to the contract. They do this by discussing contractors' compliance at the prework meetings and requiring them to publish, at the worksite, labor posters and listing of applicable wage rates and fringe benefits. Contracting officers also cooperate with enforcement agencies in reporting violations, assisting in the investigations, and offsetting amounts owed underpaid employees from monies due the contractor.

229. Question: For these same labor intensive, low bid contracts, where payroll costs are the vast majority of any bid, would not the lack of state workers' compensation coverage for this hazardous work be a factor in determining contractor responsibility?

Answer: Upon receiving award of a contract, the contractor assumes the responsibility of complying with all Federal, State, and local laws. State Workmen's Compensation is one of them and its enforcement is subject to State jurisdiction. Our contracting officers discuss the requirement for workmen's compensation at the prework meeting with copies of meeting notes furnished to contractors. These notes become a part of the contract file. Contracting officers also are required to seek verification of bids that are 10 percent or more below the Government's estimate and/or other bid prices in order to determine whether or not the bid prices are consistent with applicable wages and production rates. Bidders submitting questionable low bids may be deemed not responsible. Such a determination is subject to review and approval by the Small Business Administration under the Certificate of Competency program.

230. Question: If the U.S. knowingly utilizes an inadequately covered contractor, is not there the potential for tort claim from injured workers?

Answer: A tort claim is always possible. However, the requirement in the contract that the contractors comply with all applicable State laws and the advice given them at the prework meeting would serve to assign the responsibility to the contractor.

231. Question: Similarly, would a bidder's continued lack of state license, federal tax accounts, or the like be a factor in determining responsibility?

Answer: Only a few States, Oregon and Washington among them, require that contractors must have a State license in order to be able to enter into contracts for forestry work with the Government. Our contracting officers require proof of license before issuing a notice to proceed. One of the conditions of the license is the contractor's compliance with the State Workmen's Compensation requirements. Federal tax accounts "or the like" go to the heart of one of the elements of responsibility only if they may be attributable to or are the cause of lack of business integrity on the part of the bidder. Such events are difficult to discover and the final determination of non-responsibility of a contractor rests with the Small Business Administration. If failure to obtain a license results in failure to perform, this would be a factor in a responsibility determination.

232. Question: May the Federal Government refrain from contracting with persons who are evading Federal taxes?

Answer: If a bidder has been charged and convicted for income tax evasion, they may be debarred from participating in Federal contracts.

Debarment proceedings are initiated by the Department's Debarment Officer with full due process for the potential debaree.

233. Question: Does the Department believe there is a severe labor standards problem in reforestation, particularly on low bid federal contracts?

Answer: We have not had problems in the majority of our contracts. The total question would be best answered by the Department of Labor because it conducts investigations of all labor violations. They are in the best position to determine whether the incidence of violations in forestry work is greater than in other type contracts.

## Questions Submitted by Senator Ted Stevens

### INSTITUTE OF NORTHERN FORESTRY

There are at least 20 million acres of potential commercial forest land in northern Alaska (excluding the coastal forests of southeast and southcentral).

234. Question: If the Institute of Northern Forestry is closed--as has been proposed--would there be any other area with a commercial forest land base that large without a Forest Service Research facility?

Answer: The research at the Anchorage facility, where the residual funds from the proposed Fairbanks closure will be reallocated, will still be partially directed to the interior Alaska resource. The amount of Forest Service research investments in Alaska are higher relative to the commercial timberland base than in many other States. The rate of research investments in interior Alaska will be $127,000 per million acres of commerical forest land. The average for the entire Alaska research program is $225,000 per million acreas of commerical forest land. Other areas of the nation have much less intense Forest research funding, such as Maine ($22,000 per million acres), New York ($20,000 per million acres), Texas ($39,000 per million acres), Alabama ($48,000 per million acres), and Florida ($64,000 per million acres).

Although the Alaskan forest resource base is large, commerical forestry activity is far greater in other parts of the nation where the Forest Service has research responsibility.

235. Question: How would termination of the Institute affect research into the ecology of northern forests and the commercial opportunities for timber harvesting in interior Alaska?

Answer: Past research has provided substantial basic information about the ecology of northern forests and will allow resource agencies to manage at current levels of sophistication. Rapid, large-scale development of interior Alaskan forests is not imminent, however, and the lack of research information is not the primary barrier to increased utilization of the interior Alaskan forests. Consequently, it is prudent within existing budgetary constraints to concentrate the Forest Service research elsewhere where critical knowledge gaps occur in areas that have extensive resource use conflicts.

236. Question: On what basis was Alaska singled out for such a disproportionate share of the reductions in Forest Service research?

Answer: All Forest Service Experiment Stations are experiencing proportional budget reductions and each one is dealing with these constraints as prudently as possible. Thirty-five years of research at Fairbanks has provided an understanding of the basic ecology and characteristics of interior Alaskan forests. This base of research findings, together with relatively limited forest resource development, results in a lower priority for continued research at Fairbanks than at other research locations. Research will be continued at the Anchorage and Juneau locations.

237. Question: What research projects are currently being conducted by the Institute of Northern Forestry, both independently and in cooperation with the State of Alaska?

Answer: The following projects are currently being conducted by the Institute of Northern Forestry (INF):

- Independently (Partial list):
  - o Developing a system for classification of Alaskan vegetation (methodology).
  - o Analyzing fire effects and fire management in the Alaskan Taiga.
  - o Studying regeneration and genetics of white spruce.
  - o Researching forest succession on flood plain sites.
  - o Developing fuel tables and fuel moisture responses for use in fire behavior models.
  - o Determining the relation of host tree and site characteristics to spruce beetle and defoliator damage.
  - o Estimating effects of timber harvest and placer mining on water quality.
  - o Developing management guidelines for moose habitat in mountainous areas of interior Alaska.
- In Cooperation with the State (Partial list):
  - o Completing a statewide vegetative classification (other agencies participating too).
  - o Completing studies of the effect of logging and site treatment, including prescribed fire, on soils and plant communities on flood plain sites.
  - o Analyzing structural development and biomass productivity of trees and shrubs following wildfire.
  - o Determining changes in nutrient status and soil fertility following fire.
  - o Publishing provisional seed zones (seed transfer rules) for Interior Alaska.
  - o Publishing guidelines for assessing and controlling erosion in relation to resource management practices in the Taiga.
  - o Determining the damage done by wood boring insects in fire killed or damaged timber.

238. Question: What long range projects will have to be abandoned if the INF is closed?

Answer: The following long range projects will be stopped due to the closure of the INF:

- o Completion of research and publication of the state-wide vegetation classification system.
- o Development and publication of fire behavior models for several Alaska fuel types.

- Publication of the effects of wildfire on productive forest sites and early revegetation and tree regeneration patterns on those sites.
- Determination of response of small mammal communities to past harvest plant succession.
- Analysis of regeneration of white spruce following logging.
- Study of regeneration on productive upland sites following fire.
- All of the long-term fire effects research.
- Studies of effects of prescribed fire in both black spruce and white spruce sites.
- Long-term genetic studies of white spruce seed sources.
- Thinning studies in white spruce and birch--both upland and floodplain.
- Studies of forest succession on river floodplains--20 year plots.

Other long-range research projects in the analysis of insect and disease problems and in the study of watershed relationships would not be terminated, but would be supported from Anchorage where the residual funds from the proposed Fairbanks closure would be reallocated. Approximately half of the wildlife research that is currently being conducted from Fairbanks would also be continued from the Anchorage location.

The Western States Legislative Forestry Task Force recently adopted four resolutions, including one that stated they support, "...Congressional direction to the U.S. Forest Service to assist Alaska in development of its interior forest resources."

239. Question: Didn't you prepare a response dated February 12, 1986, to those resolutions (which had been referred to you on January 23 by Congressman Foley) in which you stated, "Finally the continued efforts by the Institute of Northern Forestry in Fairbanks will add to the knowledge of the production potential of Alaska's timber species."

Answer: Yes. The issue during this constrained budget period, however, is not if the research at Fairbanks is productive, but rather its relative priority compared to other research in Alaska and the rest of the nation. The impact of alternative research program reductions, if the proposed closure of the INF were shifted to some other portion of the Forest Research program, would be even greater.

240. Question: Didn't you also, in that letter, highlight contributions of the forestry inventory program, which is also proposed for a $146,000 reduction in Alaska?

Answer: We did highlight the contributions of the forest inventory program in Alaska. However, when faced with reduced overall funding for the Forest Inventory and Analysis program, careful priority setting is necessary. One of the criteria for allocation of limited Forest Inventory and Analysis funds is the degree to which forest conditions are changing by regions. We strive to minimize inventory cycle reductions in those regions where changes in the forest resources are fairly rapid and where implications of such changes to forestry programs and decisions are of immediate concern. The rate of change of the forest resource base in interior Alaska is not as great as it is in many other regions of the country.

241. Question: Can you explain how the scientists in the remnant research program, which would be moved from Fairbanks to Anchorage after the proposed closure of the INF, will do their work without:

- An Experimental Forest (as at Fairbanks)?
- An Experiment Watershed (as at Fairbanks)?
- A complementary research program at the University of Alaska (as at Fairbanks)?
- A nearby State forest and BLM resource lands (as at Fairbanks)
- Office space (for which no plans have made)?

Answer: Research studies will still be conducted on the experimental forest and watershed near Fairbanks. It is planned that research data from continued studies will be collected during extended field trips and through funded cooperative agreements with the University of Alaska at Fairbanks. It is anticipated that the existing strong working relationship between the Forest Service and the University of Alaska, State resource managers, and the BLM resource managers will continue. Office space will be acquired in Anchorage as needed.

242. Question: Since the research which this remnant group is to carry out relates to the forests of northern Alaska, how will this research be conducted from Anchorage?

Answer: As funding permits, research data from studies in northern Alaska will be collected during extended field trips and through cooperative agreements with the University of Alaska at Fairbanks. Ongoing research in central and south-central Alaska or research that will be started will be more efficiently done from the Anchorage location.

243. Question: What extra costs will be added to this research to cover transportation and other expenses resulting from the distance between the area under study and the laboratory?

Answer: A limited number of extended field trips coupled with help from the University of Alaska at Fairbanks will be the method of research data collection employed in northern Alaska studies. Study installation and data collection in central and south-central Alaskan studies will be less expensive from the Anchorage location. Travel and subsistence for crews to work at the Bonanza Creek Experimental Forest (maintained in cooperation with the State) and the Caribou-Poker Creek Experimental Forest (maintained in cooperation with the State and University) is estimated to cost some $25,000 more from Anchorage than from Fairbanks, a distance of approximately 400 miles. A major savings in operating costs will still be realized during the next 5 years ($245,000) from the proposed closure of the INF.

## STATE AND PRIVATE FORESTRY GRANTS

244. Question: How much money do you estimate that the Federal government saved in FY 1985 through the state/federal cooperative forest program in Alaska? Nationwide?

Answer: No direct funds were provided to the State of Alaska for pest management activities in FY 1985. Technical assistance was provided.

Nationally, $1.8 million was provided to States participating in the Cooperative Forest Pest Action Program to assist them in the detection of forest pests on approximately 417 million acres of State and private lands. This funding was also used to evaluate pest problems that were detected; to provide recommendations to land managers; and to provide information to the Forest Service on problems affecting areas of mutual interest.

If the State/Federal Cooperative Forest Pest Action Program did not exist, the Forest Service would incur a cost of $3.1 million annually to monitor and record large insect and disease outbreaks nationwide. By "piggybacking" onto the States' monitoring programs, the Forest Service minimally accomplishes its detection and evaluation responsibilities for

$1.8 million. Thus, the existing State/Federal arrangement results in a savings to the Federal government of $1.3 million for this activity.

245. Question: What are the roles of the federal and state governments, respectively, in fire suppression on federal lands? Please use the 1985 season as one example.

Answer: Cost-effective State or Federal fire organizations will maintain the suppression forces which are necessary to respond to the expected annual situation. In FY 1985, there were very few organizations, State or Federal, which could respond to their local fire situation without assistance from a cooperator. There are considerable savings to be made on National Forests if local, State or county assistance can be secured in the proximity to fire problems which exceed the capability of the local National Forest. In FY 1985, nearly every State provided assistance in suppressing fires on the National Forests. Many States provided suppression assistance to National Forests outside the boundaries of their State.

246. Question: How would elimination of the State and private grants program have affected fire suppression on federal lands during that season?

Answer: The short term implication of eliminating financial assistance would be minimal. Cooperation between Federal and State fire organizations is in the mutual interest of both parties and has become a traditional relationship. Just as State crews were involved in fire suppression on Federal lands, Federal crews assisted on many fires on State and private lands that the State fire organizations could not have handled by themselves. States do not "donate" services on Federal lands. Under cooperative agreements with most States, Federal and State agencies pick up the cost for using the other's fire crews. Without the assistance of States during FY 1985, National Forest Systems would have secured Federal forces from greater distances.

247. Question: After last year's severe fire season, how do you justify cutting cooperative fire programs and the aviation and fire management budget for National Forests?

Answer: The budget level proposed for these two activities is predicted on the basis of some additional risk or loss to the resources. However, the FY 1985 fire season was the most severe in several years. The proposed funding level will give emphasis to prevention and early detection of wildlfires. This emphasis should help to mitigate significant resource loss.

248. Question: Is the elimination of the grants program and National Forest System Fire Suppression capabilities likely to increase the actual costs to the Federal government of fire suppression?

Answer: Elimination of the financial assistance program may, over time, significantly affect the capabilities of the States to cooperate with the National Forest System in developing efficient protection programs for those areas where there are joint or adjacent protection responsibilities. Decreased State capabilities could also increase the probability of emergency fire situations on State and private lands which would require Federal assistance. As is the case now, the States would be required to pay for such assistance.

Decreases in National Forest System fire suppression capabilities would result in an increase in the total program cost over time, due to increases to both emergency Fire Fighting Funds (FFF) loss and resource loss.

## TONGASS TIMBER SUPPLY FUND

249. Question: Of the the timber made available for purchase on the Tongass during FY 1985, how much was economical to harvest?

Answer: Excluding the volume from the two long-term sales which is not purchased on an annual basis, approximately 137.0 MMBF of appraised timber in short-term sales was made available for purchase by the industry. Of that volume, 9.4 MMBF had an appraised Conversion Return (selling value minus costs) that was positive. This amounts to 7 percent of the volume. Appraisals are based on an operator of average efficiency and allow efficient operators to increase potential profits. One of the largest factors in the reduced appraisal values is the loss in selling values for Alaska's forest products. Selling value for these products has dropped over $200 per MBF since 1980.

Actual purchases, which are a good indicator of the economic viability of a sale, were 35.9 MMBF, or 26% of the total made available during the period.

250. Question: How much of the timber which will be offered in FY 1986 is economical to harvest?

Answer: There will be an estimated 104.8 MMBF of appraised volume of short-term sales made available for purchase by the industry. It is anticipated that 29.5 MMBF, or about 28 percent, will have a positive appraised conversion return. As in the previous answer, this does not include the long-term contracts.

Rate redetermination of all existing contracts has provided for reduced stumpage rates. This will afford all small operators with an improved cash flow which, in turn, will permit stronger competition on the new sales to be offered. Reduced stumpage rates will also improve the small operator's position for sales of products to the Pacific Rim countries.

251. Question: What percentage of the use of facilities constructed with funds from the Tongass Timber Supply Fund is devoted exclusively to augmenting the availability of timber in the Tongass?

Answer: Where facilities (roads and timber transfer facilities) have been built in remote areas and are not used by the general public, essentially 100% of the use of these facilities are for making Tongass timber available.

Where roads are available to the general public (usually via ferry terminals located at established communities), the timber-related use percentage declines due to recreational and residential traffic who have access to the roads as soon as construction is completed. This "other" use tends to increase over time as the road system becomes known beyond the local area and the traffic related to active timber sales decreases. This "other" road use occurs as a result of providing access which was not previously available.

Facilities (structures) constructed with Tongass Timber Supply Funds are constructed to support the timber sale program. The existence of these facilities provides the opportunity for other programs such as minerals, recreation, wildlife, and lands to use the facilities.

The following is the FY 1987 percentage breakdown showing use of these facilities by personnel directly related to producing the 4.5 BBF per decade timber supply.

| | Facilities (Road & Timber Transfer Facilities) | Facilities (Structures) |
|---|---|---|
| % Timber Use | 89 | 73 |

252. Question: What other Forest Service activities are carried out using these facilities?

Answer: The bulk of the use of all facilities constructed using Tongass Timber Supply Funds is related to maintaining the timber supply from the Tongass National Forest.

As noted in the answer to question 251, other activites occur on the road system as a result of our primary purpose of constructing access to timber stands. Other activities include Forest Service administrative, operation, and maintenance endeavors; recreation and subsistence traffic (bird watchers, wood gatherers, berry pickers, hunters, sightseers, fishermen, and picnickers) from the ferry system and local towns; and commercial enterprises (hunting and fishing guides, miners, service industry, resort owners, etc.) tributary to the road system.

Other Forest Service activites are also carried out through use of the structures since the Forest Service personnel who work to produce the timber volume also may be assigned activities in other resource areas. Work assignments can be quite varied. The other resource activities include: watershed, soils, recreation, wildlife, fisheries, and minerals.

253. Question: For FY 1985, what percentage of administration costs under the TTSF are related to the augmentation of timber yield? For FY 1986?

Answer: For FY 1985, 88 percent of the fund was related to the augmentation of timber yield and 86.5 percent was related to the augmentation of timber yield for FY 1986. Both years were programmed for a similiar general administration percentage. The FY 1985 figures reflect actual obligations and the efforts of the Region to move as much of the fund into the program support as possible. We are making the same efforts in FY 1986 and hope the actual accomplishments will improve when the final obligations are reported. As used in this response, the scope and purpose of general administration is similiar to that portrayed on pages 195-208 of the FY 1987 Forest Service Explanatory Notes.

254. Question: For FY 1985, what timber sales administration funds would have been required to conduct timber sales, excluding the costs of augmenting timber yields? For FY 1986?

Answer: The Forest Service does not segment the timber program in this manner. The entire timber program on the Tongass National Forest is based on meeting the provisions of the Alaska National Interest Lands Conservation Act (ANILCA): Title VII - National Wilderness Preservation System; Section 705(a) - National Forest Timber Utilization Program and the Tongass Land Management Plan (TLMP).

The following information is submitted based on proportioning the yearly timber offer and the sale administration funding. The figures are based upon the volume that could be made available considering the forest plan land allocations and the FY 1978 budget for timber management used in developing the Forest Plan. These same assumptions were used during the Congressional deliberations leading to ANILCA.

| | Timber Offer (MMBF) | Total Sale Administration (M$) | Funding Needed, Based on a 362 MMBF Offer (M$) |
|---|---|---|---|
| FY 1985 | 432 | $3,241 | $2,716 |
| FY 1986 | 378 | $3,079 | $2,949 |

NOTES:

1. FY 1985 figures are actual expenditures and accomplishment; while the FY 1986 figures are the planned amount.

2. FY 1986 offer targets reflect the Forest Service's effort to recognize, and respond to, the realities of a depressed timber market; while still remaining in a position to be able to respond to a potential upswing in demand and comply with ANILCA.

3. Since the comparisons are based on offer, the dollars in FY 1986 may seem high. This is a reflection of the fact that the sales take more than one year to complete, and there is a need to administer existing sales.

255. Question: What impact has the development of Forest Service facilities, using funds from the Tongass Timber Supply Fund, had on communities in which they are located?

Answer: Many of the facilities which have been constructed in communities have replaced old facilities which have outlived their useful life or replace facilities which were formerly leased. When leased facilities are replaced with Forest Service constructed buildings the decision has been based on both efficiency of operation and cost advantages.

Construction of the facilities at Thorne Bay began before the existing logging camp had gained the status of an established community. At the time the first Forest Service facilities were constructed, they had to be self-sufficient because there were no municipal or community utilities available. Since that time, the logging camp has been closed down and a small community has grown up in its place. The presence of the Forest Service at Thorne Bay has been helpful in getting the present community established. This community has taken over the water, sewage, and power systems which formerly supplied the logging camp. Development of the Forest Service facilities has helped the community which is now using the Forest Service water supply line, by agreement, to serve part of the community until the town's water mains can be replaced.

The decision to locate a Ranger District office in Thorne Bay has provided some sense of stability to the future of the community. The existing sewerage system and electrical power supply are more than adequate to accept the impacts of the additional population created by the Forest Service's presence in the community.

The upgrading and expansion of Forest Service headquarters and related support facilities, such as those at Hoonah, have had beneficial impacts upon the community, as well as reducing costs of operations for the Federal Government. The people of Hoonah wanted the Forest Service to construct facilities in their community to provide some additional stabilizing effects upon the community and its economic base. The new residential dwellings are located in a new subdivision of the community which had already been planned and are connected to the expanded utilities made available by the city. The schools have been able to handle the additional students with no apparent adverse impact.

256. Question: What steps has the Forest Service taken to offset any adverse impacts caused by the influx of Forest Service personnel to these communities?

Answer: We know of no adverse impacts of Forest Service employees moving into the smaller Southeast Alaska communities. As stated in our reply to question 255, there are only two communities which might be considered to have been affected by additional Forest Service personnel. They are Thorne Bay and Hoonah. In both cases, these Forest Service families have provided a stabilizing effect upon these communities by providing a base of year-round jobs and local purchasing activity.

The Forest Service's presence in Thorne Bay is helping provide a stable economic base for the newly established community. We have worked with the citizens of Thorne Bay, through a cooperative agreement, to assist in improving and maintaining the community water and electrical power systems. We have also worked with the local community and State of Alaska to improve the interconnecting road system which links Thorne Bay with local supply centers of Klawock and Craig and most recently Hydaburg, as well as providing road connections to the Alaska ferry terminal at Hollis to access Ketchikan and all of Southeastern Alaska. In addition, our employees are an important part of the community and are active in community affairs.

We have not observed any adverse impacts caused by the stationing of Forest Service personnel in Hoonah. The City of Hoonah is a larger community than Thorne Bay and has been an established community for a number of years. Hoonah's utility systems are in better condition and under long standing management. These factors have reduced the cost of establishing a Ranger District office at Hoonah.

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## Questions Submitted by Senator Dale Bumpers

### SOUTHERN FOREST EXPERIMENT STATION
### FAYETTEVILLE, ARKANSAS UNIT

The Forest Service has operated a unit of the Southern Forest Experiment Station in Fayetteville, Arkansas since 1970. Although no line item funding has been included in the Forest Service budget for this unit over the past few years, funds provided through the Forest Research program have allowed research to continue at the Fayetteville unit. I understand the Forest Service now plans to close the Fayetteville unit and transfer operations to the Oxford, Mississippi unit of the Experiment Station.

257. Question: What are the reasons for this proposal to transfer the Fayetteville operation to Oxford?

Answer: The Experiment Station's research staff of scientists has changed over the past few years to the point that we cannot maintain numerous dislocated research sites. The Forest Hydrology Laboratory at Oxford is well equipped and manages major watershed studies in Mississippi and Arkansas. The transfers to Oxford are steps toward consolidating a critical core of watershed scientists and support staff together at the Oxford location.

258. Question: What will happen to the three scientists on staff at the Fayetteville unit?

Answer: Dr. Edwin R. Lawson will move from Fayetteville to become Project Leader at Oxford, increasing his responsibilities and the potential for his research to have a major impact on watershed management in the South. Mr. Thomas Rogerson has worked closely with Dr. Lawson at Fayetteville and will move to Oxford to continue this relationship.

Dr. David Graney will remain in Fayetteville to continue timber management research studies in Arkansas and Oklahoma.

259. Question: What is the size of the Southern Forest Experiment Station located in Oxford, Mississippi?

Answer: A description of the Oxford facility is as follows:

- Facilitiy is on 15 acres of Forest Service-owned land adjacent to the University of Mississippi campus.

- Construction was completed in 1968.

- Gross area is 13,992 square feet, with auxiliary warehouse, shop, and chemical storage buildings of about 2,500 square feet.

- Total construction cost was $700,000.

- Design capacity for 13 scientists and 16 other employees.

- Current staff at Oxford consists of 3 scientists and 5 other employees. The staff, after consolidation with Fayetteville, will be 5 scientists and 5 other employees.

260. Question: What are the operating costs at the Oxford unit? At the Fayetteville unit?

Answer: The operating costs are $56,000 at Oxford and $17,500 at Fayetteville. We expect no increase in operating costs at Oxford due to the transfer of staff from Fayetteville, thereby realizing a major cost savings.

261. Question: During the process of developing the closure proposal, did you consider the alternative of closing the Oxford, Mississippi unit and transferring the personnel there to the Fayetteville, Arkansas unit?

Answer: We did consider closing Oxford and transferring people from Oxford to Fayetteville, but such a transfer would be less desirable and more costly by moving more people and providing less adequate laboratory facilities than will the move from Fayetteville to Oxford. The cost at Fayetteville would rise substantially if all the Oxford staff and equipment were transferred to Fayetteville.

The Fayetteville unit is conducting research jointly with other public and private forestry interests on the long- and short-term effects of silvicultural practices on water quality, wildlife habitat, timber growth, and site productivity. Much of this research is specific to the physical geography of Arkansas and adjacent states, and I understand that no other research being conducted elsewhere is directly applicable to these areas.

262. Question: What effect will the proposed closure and transfer of the unit have on the continuation of these important research efforts?

Answer: The transfer of the two scientists from Fayetteville to Oxford will affect some current watershed studies in Arkansas, but the most important ones will be continued. Studies in the Ouachita Mountains and Boston Mountains (Ouachita National Forest and Ozark National Forest) will be continued on the effects of silvicultural systems on water quality, stormflow, site productivity, regeneration response, sediment losses, and soil nutrients. Many of these studies are cooperative efforts with the University of Arkansas at Monticello and Weyerhaeuser Company and are conducted on the Alum Creek and Fleming Creek watersheds. Watershed studies on the Springfield Salem Plateau may be affected. There will be little impact on timber management studies in Arkansas.

## Questions Submitted by Senator Robert C. Byrd

### MONONGAHELA NATIONAL FOREST

263. Question: Would you please provide for the record a list of your priorities for repairing damage caused by the floods of last November in the Monongahela National Forest?

Answer:

Completed Projects - FY 1986

| | | |
|---|---|---|
| Stream Stabilization (SCS/403 funds) | | $ 111,250 |
| Immediate repairs to buildings, roads and bridges to provide access for private citizens and prevent further deterioration of facilities | | 75,000 |
| Computer Replacement | | 60,000 |
| Vehicle Repairs | | 17,000 |
| Construction (emergency repairs) | | 264,000 |
| Subtotal (Spent) | | $ 527,250 |

Additional FY 86 Projects

| | | |
|---|---|---|
| Recreation Construction/Reconstruction | | $ 379,750 |
| Camp Horseshoe | $136,450 | |
| Seneca Rocks VIS | 180,000 | |
| Stuart Recreation | 20,000 | |
| Tea Creek Campground | 15,000 | |
| Other Campgrounds | 28,300 | |
| Cheat Warehouse Contents | | 10,000 |
| Marlinton Range Fence | | 10,350 |
| Bemis Water Monitoring Station | | 16,200 |
| Boundary Corners | | 35,000 |
| Seneca Rocks Footbridge | | 115,000 |
| Cheat Office Supplies and Equipment | | 18,700 |
| Cheat Oil House and Miscellaneous Buildings | | 14,300 |
| Radios (2) | | 20,000 |
| Road Repairs (FS) | | 178,000 |
| Subtotal (Additional FY 86 Expenditures of FS Funds) | | $ 797,300 |
| Road Repairs (ERFO) | | $1,220,800 |
| Trail Bridges (ERFO) | | 0 |
| Subtotal (Additional FY 86 Expenditures of FHA (ERFO)) | | $1,220,800 |
| Subtotal (Additional FY 86 Expenditures All Funding Sources) | | $2,018,100 |

Future Projects

| | | |
|---|---|---|
| Recreation Construction/Reconstruction | | $ 241,000 |
| Seneca Rocks Visitor Information Service | $ 70,000 | |
| Seneca Rocks Campground | 20,000 | |
| Smokehole Picnic Grounds | 150,000 | |
| Red Creek Campground | 1,000 | |
| Nursery Bottom - Debris Cleanup | | 72,000 |
| Nursery Bottom - Construction | | 426,000 |
| Increase Height of Dike | $300,000 | |
| New Warehouse | 99,800 | |
| Residence Repair | 19,800 | |
| Minor Building Repairs | 6,400 | |
| Stream Habitat Improvements (10 projects) | | 44,000 |

| | | |
|---|---|---|
| Range Fence Replacements - Marlinton and Potomac Ranger Districts | | 9,000 |
| Trail Maintenance | | 286,600 |
| Seneca Creek | $150,000 | |
| Spruce Knob/Gandy Creek | 35,000 | |
| Other Trails - Forest-wide | 101,600 | |
| Recreation Construction - Seneca Rocks Campground | | 985,000 |
| Subtotal (Future Year Needs) | | $2,063,600 |
| Total (All Funds) | | $4,608,950 |
| (FS Funds) | | 3,276,900 |
| (SCS Funds) | | 111,250 |
| (FHA ERFO) | | 1,220,800 |

264. Question: How much have you spent to date on repairs in the Forest?

Answer: $527,250 of which $111,250 Soil Conservation Service "403" funding was used for Streambank Stabilization.

265. Question: What are your additional planned expenditures for FY 1986?

Answer: See answer to question 263 for "projects which will cost $797,300 (FS funds)" and "$1,220,800 (FHA ERFO funds)."

266. Question: Would you please provide for the record a list of the additional work and estimated cost that will remain in the National Forest after FY 1986?

Answer: See answers to question 263 for "future year projects" which will cost $2,063,600 (FS funds).

267. Question: Also, would you provide for the record a list of all roads, bridges, trails and foot bridges that were damaged by the floods last November, and indicate an estimated cost to repair each? Please indicate which of this work has already been initiated.

Answer:

MONONGAHELA NF FLOOD DAMAGE
ROADS, TRAILS, AND BRIDGES

| PROJECT NAME | PROJ NO | ERFO APPROV | FRP NEEDS | WORK INITIATED |
|---|---|---|---|---|
| Roads and Bridges: | | | | |
| Stuart Recreation Area | 1-P-5 | 33,500 | 17,500 | * |
| Stuart Drive FR 91 | 1-R-6 | 5,000 | | * |
| Canaan Loop Rd FR 13 | 1-R-7 | 17,500 | 12,525 | * |
| Red Run Rd FR 244 | 1-R-8 | 32,500 | | - |
| Camp Hollow Rd FR 712 | 1-R-9 | 13,100 | | * |
| Elklick Rd FR 701 | 1-R-10 | 47,300 | | * |
| Hickman Slide Rd FR 704 | 1-R-11 | 13,750 | | * |
| Nursery Bottom Rds FR 50 | 1-R-13 | 118,000 | 1,000 | * |
| Mozark Mountain Rd FR 1333 | 1-R-31 | | 3,000 | - |
| Jakeman Run Rd FR 83 | 2-R-3 | 2,000 | | - |
| Cranberry Rd FR 76 | 2-R-4 | 53,900 | | * |
| S. Fork Cranberry FR 102 | 2-R-5 | 1,800 | 3,200 | * |
| Williams River Rd FR 86 | 2-R-6 | | 4,000 | * |
| Dogway Rd FR 78 | 2-R-7 | 3,400 | | * |
| Cranberry-Dyer Rd FR 101 | 2-R-8 | | 7,000 | * |
| Island Campground | 3-P-4 | | 5,100 | * |
| Laurel Campground | 3-P-5 | | 10,000 | * |
| Stoney Run Rd FR 757 | 3-R-16 | 2,200 | 1,330 | * |
| Galford Rd FR 90A | 3-R-17 | 6,900 | 3,255 | * |

| PROJECT NAME | PROJ NO | ERFO APPROV | FRP NEEDS | WORK INITIATED |
|---|---|---|---|---|
| Roads and Bridges: (Continued) | | | | |
| North Fork/Tacker Fork FR 197 | 3-R-18 | 4,200 | 10,160 | * |
| Sutton Run Rd FR 1678 | 3-R-19 | 13,300 | | * |
| Elleber Sods Rd FR 1681 | 3-R-20 | 3,600 | 1,130 | - |
| Middle Mountain Rd FR 14 | 3-R-21 | 112,000 | | * |
| Little River Rd FR 17 | 3-R-22 | 2,300 | | * |
| Glady-Durbin Rd FR 44 | 3-R-23 | 239,400 | | * |
| Osceola Rd FR 423 | 3-R-24 | 300 | 4,820 | * |
| Shavers Fork Rd FR 209 | 3-R-25 | 5,750 | | - |
| Whitmeadow Run Rd FR 47 | 3-R-26 | 4,600 | | - |
| McGee Run Rd FR 210 | 3-R-27 | | 1,850 | - |
| Snorting Lick Rd FR 35 | 3-R-28 | | 1,000 | * |
| Gaudineer Tower Rd FR 27 | 3-R-29 | | 1,000 | - |
| East Fork Glady Rd FR 183 | 3-R-30 | | 500 | - |
| Osceola Rd FR 422 | 3-R-31 | | 500 | * |
| Stone Coal Rd FR 789 | 3-R-32 | | 1,000 | - |
| Buffalo Run Rd FR 1605 | 3-R-33 | 5,400 | 4,600 | * |
| Fish For Fun Rd FR 481 | 3-R-34 | | 1,000 | - |
| Island Camp Rd FR 36 | 3-R-35 | | 200 | * |
| General District Rds | 3-R-36 | | 8,500 | * |
| Elk Lick Run Rd FR 179 | 3-R-37 | 1,300 | | - |
| C & M Storage Building | 4-A-30 | | 5,000 | * |
| Upper Williams Rd FR 216 | 4-R-1 | | 8,500 | - |
| Friel Run Rd FR 115A | 4-R-2 | | 3,000 | - |
| Buzzard Ridge Rd FR 1026 | 4-R-3 | | 16,000 | * |
| Bannock Shoals Rd FR 135 | 4-R-4 | 2,500 | 3,000 | * |
| Allegheny Rd FR 55 | 4-R-5 | | 4,000 | - |
| Wildcat Hollow Rd FR 926 | 4-R-6 | | 3,000 | - |
| Newman Hollow Rd FR 925 | 4-R-7 | | 3,000 | - |
| Swago Rd FR 999 | 4-R-8 | | 4,000 | - |
| Cranberry Rd FR 76 | 4-R-9 | | 3,000 | - |
| Crooked Fork Rd FR 251 | 4-R-10 | | 3,000 | - |
| Williams River Rd FR 86 | 4-R-11 | | 5,000 | * |
| Leatherwood South Rd FR 368 | 4-R-12 | | 3,000 | - |
| Friel Run Rd FR 115 | 4-R-13 | | 3,000 | - |
| Highland Scenic Highway FR 150 | 4-R-14 | | 4,000 | - |
| Seneca Rocks VIC FR 745 | 5-P-30 | 78,400 | | * |
| Spruce Knob Lake CG | 5-P-32 | | 10,000 | - |
| Smoke Hole Picnic Area | 5-P-33 | | 50,000 | - |
| Seneca Campground | 5-P-36 | | 50,000 | - |
| Big Bend Campground | 5-P-37 | | 15,000 | * |
| Smoke Hole Campground | 5-P-40 | | 20,000 | - |
| Laneville Bridge 19-00.0 | 5-R-15 | 364,000 | | * |
| Dolly Sods Rd FR 75.1 | 5-R-17 | | 12,700 | - |
| Dolly Sods Rd FR 75.2 | 5-R-18 | 6,100 | 7,200 | * |
| Laneville Rd FR 19.2 | 5-R-19 | | 9,500 | * |
| Roaring Plains Rd FR 70 | 5-R-20 | 12,800 | | - |
| Laneville Rd FR 19.1 | 5-R-21 | | 34,000 | * |
| Spruce Mountain Rd FR 112 | 5-R-22 | | 5,200 | * |
| North Mountain Rd FR 79 | 5-R-23 | | 15,000 | * |
| Upper Seneca Creek Rd FR 33 | 5-R-24 | | 3,000 | - |
| Blackbird Knob Rd FR 80 | 5-R-25 | | 10,000 | - |
| Star Rd FR 782 | 5-R-26 | | 1,050 | - |
| Owl Knob Hollow Rd FR 60 | 5-R-27 | | 10,000 | - |
| Dry Run Rd FR 839-1 | 5-R-28 | | 5,000 | - |
| Glover Track Rd FR 732 | 5-R-29 | | 5,100 | - |
| Vance Run Rd FR 818 | 5-R-41 | 14,000 | | * |
| Drywell Rd FR 311 | 6-R-1 | | 3,580 | - |
| Douthat-Anthony Rd FR 96 | 6-R-2 | | 1,000 | * |
| SUBTOTAL, Roads and Bridges | | 1,220,800 | 442,000 | |

| PROJECT NAME | PROJ NO | ERFO APPROV | FRP NEEDS | WORK INITIATED |
|---|---|---|---|---|
| Trails and Foot Bridges: | | | | |
| Rough Run #213 | 2-T-9 | | 4,000 | - |
| Lick Branch #212 | 2-T-10 | | 3,000 | - |
| Twin Branch #205 | 2-T-11 | | 3,500 | - |
| County Line #206 | 2-T-12 | | 4,500 | - |
| Gaudineer Scenic Area | 3-T-1 | | 2,100 | - |
| Hinkle #316 | 3-T-8 | | 200 | - |
| Laurel Fork #306 | 3-T-9 | | 3,000 | - |
| Camp Fire #315 | 3-T-10 | | 600 | - |
| Middle Mountain #307 | 3-T-11 | | 200 | - |
| Rattlesnake #366; North Fork #332 | 3-T-28 | | 10,800 | - |
| Tea Creek #452 | 4-T-15 | | 22,600 | - |
| Williams River #487 | 4-T-21 | | 3,500 | - |
| Seneca Creek #515 | 5-T-6 | | 150,000 | - |
| Dolly Sods Trails | 5-T-7 | | 8,000 | - |
| Spruce Knob/Gandy Creek | 5-T-8 | | 35,000 | - |
| Big Run #527 | 5-T-9 | | 17,500 | - |
| Smokehole Trails | 5-T-10 | | 3,900 | - |
| Judy Springs #512 | 5-T-34 | | 10,000 | - |
| Tea Creek Footbridge | 4-T-15 | | 4,200 | - |
| Seneca Rocks Footbridge | 5-P-30 | | 115,000 | - |
| Subtotal, Trails, and Bridges | | | 401,600 | |
| Grand Total | | 1,220,800 | 843,600 | |

* = Work has been initiated

All road projects will be completed in FY 1986. The Seneca Rocks Footbridge ($115,000) is also scheduled to be completed in FY 1986.

268. Question: Are you experiencing any difficulty reaching agreement with the Department of Transportation on emergency funds to be provided for road, bridge, trail, and foot bridge repair in the Monongahela National Forest as a result of the floods?

Answer: No, in fact the Federal Highway Administration has been very cooperative and helpful in accomplishing damage assessments and project evaluation. Damage reports have been submitted and reviewed by FHWA. For the most part, qualifying projects have been approved for emergency relief funding. The only exception is with trails and trail bridges. We understand that the cumulative damage estimates resulting from the fall Eastern storm, and the more recent storms in the West, will likely exceed the total funds authorized for emergency relief for State and Federally owned roads. For this reason, preference is being given to providing emergency relief funds for roads and bridges that are open to public motor vehicle travel.

SUBCOMMITTEE RECESS

Senator McCLURE. This will conclude today's hearing. The subcommittee will stand in recess until 2 p.m. on Thursday, March 27, 1986, when we will consider the fiscal year 1987 budget request for the Bureau of Mines.

[Whereupon at 4:10 p.m., Tuesday, March 25, the subcommittee was recessed, to reconvene at 2 p.m., Thursday, March 27.]

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